

The NATIONAL UNDERWRITER



A PIECE OF PAPER CAN KEEP A BUSINESS TOGETHER

**WHEN IT'S A BUSINESS INTERRUPTION
POLICY WITH THE TRAVELERS**

Fire, windstorm and similar disasters destroy thousands of business establishments each year, but the wise businessman has assured himself that he will not have to close down permanently by providing himself with Business Interruption Insurance.

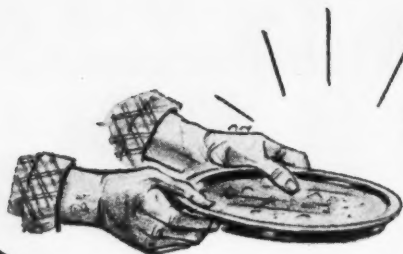
Business Interruption pays wages of valuable employees, profit on lost trade and fixed expenses during the period the business is shut down.

You'll find prospects for B.I. on every business street in your town. If you need help getting started just consult one of The Travelers field men.

THE TRAVELERS

THE TRAVELERS FIRE INSURANCE COMPANY
HARTFORD, CONNECTICUT

THURSDAY, JULY 23, 1953



National Notes for Producers

How to Make Prospecting Pay

The keen prospector of old knew how to draw pay-dirt. He pitched his camp in a relatively untapped spot.

As a modern prospector, you have your own "relatively untapped spot." It's the market for Business Interruption Insurance. Many logical prospects for B.I.I. don't even know this important coverage exists.

There's opportunity for you!

Retail stores are *all* good prospects; good hotels and theaters, small machine shops...

almost *any* well-run business, *especially* the small and medium-sized ones need B.I.I. badly.

Take another look at your own commercial and industrial *clients*; maybe they're *prospects* too. National of Hartford Agents have been digging away like this for some time—profitably too.



NATIONAL OF HARTFORD GROUP

Fire • Marine • Casualty

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS AND TRADERS INSURANCE COMPANY
FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY
UNITED NATIONAL INDEMNITY COMPANY

Western Department, Chicago
Pacific Department, San Francisco
Canadian Department, Toronto
Metropolitan Department, New York

Executive and Administrative Offices: Hartford 15 Connecticut

APPRAISALS

RECOGNIZED AUTHORITIES ON
VALUATIONS—INDUSTRIAL
COMMERCIAL — RESIDENTIAL

SINCE 1910

Branch Offices
in all
Principal Cities

THE **LOYD-THOMAS** CO.

4411 RAVENSWOOD AVE. CHICAGO 40, ILL.



Your Insureds May THINK They Are Protected...

... yet rising prices have devaluated insurance at an alarming rate, even policies written a few years ago. You can heighten your good reputation by reviewing your older policies against *today's* costs. Dubuque Fire & Marine—an old established multiple line company—may be able to help you—and welcomes your immediate inquiry.

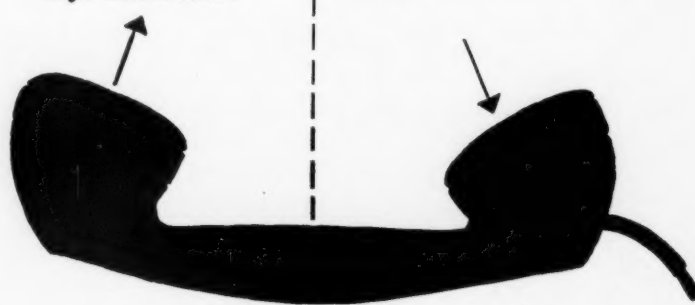
DUBUQUE FIRE & MARINE

Insurance Company.

DUBUQUE, IOWA ★ MULTIPLE LINE FACILITIES

CLIENT:
*Do you sell
Life Insurance?*

INDEPENDENT BROKER:
Sure!



YOUR OWN LIFE INSURANCE DEPARTMENT...AS CLOSE AS YOUR PHONE

Now, your nearest Connecticut General brokerage office can give you all the advice, specialized service, sales and promotion assistance you need to handle life coverage profitably.

Get the details: Telephone the Connecticut General office nearest you or write us—Connecticut General Life Insurance Company, Hartford, Connecticut.

Connecticut General

The NATIONAL UNDERWRITER

57th Year, No. 30
July 23, 1953

The National Weekly Newspaper of Fire and Casualty Insurance

Wind Deductible Program Is Now Extended to Neb.

The windstorm deductible program for the middlewest that made its debut in Minnesota, has now been extended to Nebraska with approval of Commissioner Pansing. Here again the organization companies undertook to put their best foot forward on this by consulting with agency and field leaders beforehand along with the insurance department, and getting out press releases and an illustrated pamphlet for distribution to insured.

At the same time the companies were able to announce a fire insurance rate reduction on the dwelling class so that there was a good dose of sweet to be given with the bitter, if the deductible could be referred to as "bitter."

The windstorm deductible program is virtually the same as in Minnesota. However, with the deductible, the cost of EC is reduced from the old rate for full coverage. It becomes 20 cents for \$50 deductible as against 22 cents which was the old rate for full coverage EC. The deductible is on an optional basis and to get full coverage in the future, the rate becomes 28 cents on dwellings. There is no deductible on other than the dwelling class but the EC rate goes up about 20% on public mercantile and industrial risks.

The deductible is on the basis of \$50 per building, and insofar as contents is concerned, the deductible applies only on radio and TV antenna.

The fire insurance rate reduction applies to the dwelling class exclusively and the reductions range from 2 cents to 6 cents with the heaviest reductions in the unprotected territories. Percentagewise, the reductions run from 10 to 30.

In the news release, W. P. Blinn, manager of Nebraska Inspection Bureau, is quoted as saying that in the last five years the combined loss and expense figure on wind and EC in Nebraska amounted to \$14,098,383 against premiums of \$11,723,420. The losses do not include the 1953 catastrophe at Hebron and the other windstorm losses in eastern Nebraska.

Weigh Validity of Non-Assessable Clause in Bankrupt Mutual

Testimony is now being taken in the case in which the receiver for Texas Mutual Fire is seeking a court order for the right to assess the policyholders despite the fact that this company's policies contained a non-assessable clause. The case is being heard before District Judge Gardner at Austin. Will G. Knox is the receiver.

The first two days' testimony in behalf of the receiver's position was given, among others, by George P. Butler, chairman of the board of insurance commissioners of Texas, and L. W. Blanchard, chief examiner; Paul Lowery who was one of the operators of Texas Mutual; State Senator William P. Moore of Bryan who was chairman of the insurance committee

Welfare Fund Investigation in N. Y. Presents Plain and Fancy Problems

NEW YORK—No report on what transpired has come out of the hearing conducted last week by the insurance department on welfare funds, but it is understood that not too much progress was made. The department closed the hearing to reporters and other outsiders, and one reporter who showed up was ejected. The theory of the department was that it couldn't get representatives of insurers active in the welfare fund field to talk if the meeting was open; apparently, there was not too much revelation anyway.

The department has not publicly indicated its intention with respect to legality of payments made directly or indirectly to so-called administrators, in connection with the administration of group life and A. & H. policies issued to trustees. Presumably it is seeking to find out what illegal payments are being made that are now prohibited by law, and to discover if it can what payment practices occur in this field that may not be actually illegal but that nevertheless can be regarded as improper. As to the latter, it is the presumption the department would move to effect an improvement by ruling.

But the general opinion in the business is that the department has set itself quite a task. In the first place the problem has to be sorted into two pieces, the really illegal stuff, which is said to affect a very small fraction of the total premiums in this field, and the union situation, which is something else again.

Reportedly some business is being done where the payment for production is excessive and is flowing into underworld channels. This does not involve any extensive portion of the total dollar volume of this business, though some of the individual accounts may run into substantial figures, like \$1 million, and the take on the account by broker or agent may be as much as 15%, or \$150,000. Also, it is reported, no large, reputable insurer gets itself involved with characters of this sort; the business is written, knowingly or otherwise, by marginal companies that are hungry for business, it is said.

in the senate and who was once counsel for the Lowerys and Texas Mutual.

The position of the receiver is that the insurance commissioners did not by official board action give Texas Mutual the power to issue non-assessable policies. What approval was granted, the receiver contends, came from a department employee and this did not constitute board action. The receiver contends that the department as a rule does not approve companies to write non-assessable policies. The right to issue such policies is based on its surplus condition and this is a matter of the company's own statement.

Representatives of the policyholders claim they should not be liable for assessment because they relied on the state license and the representation of the insurance commissioners that the company was financially sound.

In Texas, mutual companies with

(CONTINUED ON PAGE 28)

The business that is union per se may not be handled in any way that is illegal, probably is not. Here there are really substantial premiums involved, however—a much larger share of the total in this field. The department here has a different sort of job, according to observers, one that involves political consequences of considerable size. The commission paid may not be excessive. Its payment, under the anti-rebating law, is required. Placing of business through favorite producers, some of whom do not perform much service for it, or even are not particularly equipped to perform such service, is not new and is not confined to welfare fund business.

Because of the anti-rebating law, the policyholder knows he is going to pay a commission, so he names one. Perhaps the production firm has in it the business agent of a union who gets part of the commission. There are those in the business who think this is sound business practice. Part of the money goes back into union channels, which would not necessarily be the case on business written by the son-in-law of the president of some other kind of insured. Labor men may be silent partners in some production units.

Others in the business don't care for the union participating in the commissions on welfare business. It is pointed out that the union may set up an administration office for handling welfare plans. Perhaps the business agent of the union is named to administer the fund, at a \$5,000 salary. He hires a couple of girls.

Obviously these expenses come out of the premium; there is a loading in the premium for them. But beyond this, the feeling is that he gets a kickback from the production fee, that he may participate in the commission. Yet this is going to be pretty difficult to prove or pin down in any definite way.

The feeling about kickbacks and other "payments" that crop up in welfare fund business has grown sharper in the insurance business in recent times as competition has increased and loss ratios have climbed. There are administration charges for so called self-administered plans, such administrations being allowed rate concessions for settling claims, for example, though the claim settlement work may consist of filing the papers, which is about what would be expected of insured, anyway.

Not long ago, it is reported, union men petitioned the Washington state insurance department to do away with commissions on this type of business.

The union people, usually men in secondary positions, may not keep all of the money from such kickbacks. They always need money; they sponsor various activities and even do formal or informal charity work.

What some of those in the insurance business are wondering is whether the department is going to tangle with the unions, or plans to tangle with the companies so they will tangle with the unions. The companies are going to be real reluctant to do the tangling.

America Fore 6 Month Results Are Published

Windstorm Woes and Securities Market Drop Are Taken in Stride

The midyear figures of the America Fore companies have now been published. These are studied with uncommon interest because there are not many companies that release much detail on half-year experience; thus the America Fore record is looked upon as giving an approximation of the results of the business as a whole.

Additionally, the figures as of June 30 include the loss estimates on all of the important windstorms that beset the country this season, also reflect the decline in the securities markets that was touched off by the pacific overtures of the Russians and the increase in interest rates. The decrease in market value of bonds and stocks was about 7½% in Continental and Fidelity-Phenix. There was an underwriting profit in these companies in the range of about 3%. Fidelity & Casualty had an underwriting loss of more than 3%.

The assets of Continental were \$274,219,389. Premium reserve was \$63,659,382, loss reserve \$16,874,767, capital \$25 million, net surplus \$158,247,783, and contingency reserve \$2,701,115, giving a policyholders' surplus of \$185,948,898. That gives a capital-surplus or book value of about \$74 per share.

Premiums written were \$33,635,822, premiums earned \$32,768,306, losses incurred \$17,146,248, expenses incurred \$14,652,809 and underwriting profit \$969,248. Net investment income was \$4,163,465; provision for federal income tax is \$1,097,386 and decrease in market value of bonds and stocks was \$19,320,631. The net surplus Dec. 31 at market was \$177,282,853.

Fidelity-Phenix had assets \$236,142,413, premium reserve \$48,879,900, loss reserve \$14,598,429, capital \$20 million, net surplus \$144,308,858 and contingency reserve \$1,950,913. The policyholders' surplus was \$166,259,771 which gives a book value of about \$83 for the stock. Premiums were \$26,940,707, premiums earned \$25,924,789, losses incurred \$13,640,352, expenses incurred \$11,442,423, underwriting profit \$842,013, net investment income \$3,303,622; provision for federal income tax is \$809,691, decrease in market value of bonds and stocks \$18,278,179. The net surplus at Dec. 31 at market was \$162,454,156.

Niagara, with premiums earned of \$10,210,059, had an underwriting loss of \$95,524 and the decrease in market value of bonds and stocks was \$4,610,968 and the net surplus June 30 was \$41,082,158.

American Eagle on premiums earned

(CONTINUED ON PAGE 26)

Public Relations Offices Set Up in Oklahoma, Calif.

Assn. of Casualty & Surety Companies Broadens Its Operations in that Field

Assn. of Casualty & Surety Companies has announced further expansion of its public education and information services by the establishment of public relations field offices in Oklahoma and California.

The Oklahoma field office, located in Oklahoma City, was opened July 1 and has been designated the Oklahoma Insurance Information Office. Lloyd F. Palmer, a former newspaper man of wide experience and manager of the Oklahoma Safety Council for the past four years, is manager of this office.

As the name indicates, the office will operate to keep the people and industries of that state accurately informed about insurance matters that affect their interests, promote public safety and perform on a local basis all of the services that are now provided at the national level by the association's public relations department, of which it is a branch.

While this office will confine its attention solely to Oklahoma problems for the present, in time its responsibilities will be extended to include other states, such as Texas, Arkansas, Colorado and New Mexico. The ultimate aim is to make it a regional public relations field office of the association.

The California office will be integrated with the association's long established Pacific Coast branch office at San Francisco. Effective July 27, Myles W. Smith will become the association's public relations representative in the Pacific area. He had a successful career as a newspaper man in San Francisco and for the past six years has been in public relations work for the public utilities commission of the city and county of San Francisco.

As in Oklahoma, the new Pacific Coast office will function for the present to help clear up public misunderstandings in California but in time will also serve the same states that come within the jurisdiction of the Pacific Coast branch, including Washington, Oregon, Montana, Nevada, Utah, Idaho and Arizona.

The association has thus begun to operate in public relations at the local level in three particularly strategic sections of the country. In Massachusetts, it has participated for three years in the organization known as the Casualty Insurance Companies Serving Massachusetts. It feels that local problems can best be handled on a local basis.

While the new offices are, in effect, branches of the association, J. Dewey Dorsett, general manager, says it does not follow that they will hold to the narrow path of serving it alone. The headquarters public relations department has provided assistance regularly to other stock insurance organizations for a number of years. The new field offices will function similarly, co-operating closely with established organizations in their areas of operation and with state and local agents associations.

Deviation Issue on Auto May Be Resolved

The business is watching with interest the filings of Fireman's Fund in Washington and about a dozen other states, providing new classifications and rates for private automobiles in preferred sections. This is the fire company, which is a subscriber and not a member of National Bureau of Casualty Underwriters. The filing is for automobile physical damage as well as third party liability lines and calls for 15% rate reduction in preferred classes.

It is considered likely that in view of the rate regulatory laws and the group's affiliation with National Bureau the filings will not be approved. However, in the meantime, the bureau's new classification and rating

Fireman's Fund has been elected to membership in Surety Assn. of America. Fireman's Fund Indemnity has been a member right along. S.A.A. now embraces 74 companies.

plan undoubtedly will be issued shortly. If this is close to what Fireman's Fund would like to use, and it is believed it will be, the issue would be resolved.

Those close to Fireman's Fund have been left in no doubt that the management has been impatient with bureau delay in taking effective action to keep within competitive range pricewise of the Allstate-State Farm-Farmers of L.A.-Ohio Farm Bureau type of operation. Particularly has there been a cleavage with those companies that consider there is no new competitive problem of magnitude and that favor a sit tight policy.

SEATTLE—Fireman's Fund notified its Washington producers that the new rates and classifications, which have been approved by the department, are

What Cheer and Blackstone

Kerr Chairman and Brightman President of 2 Factory Mutual Units

Blackstone Mutual and What Cheer Mutual, which are members of the Factory Mutual system at Providence, now have a chairman in common and a president in common. They have had their offices right along in the same building, but not in the same quarters.

Ernest Kerr, who is a veteran of more than 30 years in the Factory Mutual organization, and who has been president and treasurer of What Cheer, now becomes chairman of the two companies while William T. Brightman, Jr., who is president of Blackstone, also becomes president of What Cheer. There has been a close association between these companies and Mr. Brightman has been a director of What Cheer, as well as being president of Blackstone. Mr. Brightman last year ascended to the presidency of Blackstone when Charles E. Rigby retired.

Dallas City Cover Critic Is Brought to Account

The city auditor of Dallas, E. Lynn Crossley, has taken sharp exception to the report of an independent auditing firm which had some rather unfriendly remarks on the way the city insurance is handled. George H. Bird & Co. is the auditing firm involved.

The report said that there are some

effective July 1, retroactive to June 1 on new policies. The revision, the producers were informed, was made in order to meet the current competition for automobile insurance.

Fireman's Fund said it "has provided this facility in anticipation that it will obtain from its producers a high degree of cooperation in properly classifying all risks and in declining for our account any business that cannot be considered desirable."

"The importance of your help in this direction," the announcement stated, "is emphasized by the fact that we are in a highly competitive situation, and there is grave question that rates we and other companies are now using will be sufficient for losses and expenses, let alone a profit. Thus, the need of our agents to underwrite carefully for our account is essential if we are to be permitted to continue this rating plan and competitive facility."

The statement in last week's edition that Fireman's Fund, in making the filing in the Washington, was parting ways with National Bureau and National Automobile Underwriters Assn. is objected to. For one thing, the Washington filing at least had nothing to do with N.A.U.A. since Fireman's Fund there is not deviating from rates published by that organization. Secondly the question of whether Fireman's Fund has parted ways with National Bureau is not an open and shut matter.

The management of Fireman's Fund said its filing was strictly on a defensive basis to protect its agency plant and business from the effects of a competitive situation. Fireman's Fund has an extremely large business in Washington and took "the step we did after full consideration of what we felt was an untenable situation."

structures on which no insurance is carried and Crossley said these are buildings in remote locations which are completely fireproof and consist only of comfort stations in the parks. Then the auditing firm said that insurance was carried on a non-existent building. This was an old CCC building at White Rock Lake, which was demolished. This, according to Crossley, was insured under a three-year policy that had less than six months to run and there was no return premium coming in event of cancellation.

As to the Insurance Placement Board, Crossley said that Dallas has used this for many years except for a period between 1935 and 1939. "We feel that the placement board, being a quasi-public body has done and is doing a splendid job of handling the city's insurance."

Ft. Worth Storm Will Cost About \$750,000

Hail and wind struck a 2,500 block residential area of Fort Worth July 16 and will result in approximately 5,000 claims running \$250. However, Fort Worth has a \$100 deductible, and the total insurance loss will be about \$750,000. General Adjustment Bureau has set up a separate storm office to handle claims.

Four Join N.A.T.B.

Emmco, Guaranty Mutual of Denver, Pacific Employers and M. F. A. Mutual of Columbia, Mo., have been elected to membership in National Automobile Theft Bureau, bringing the number of member companies to 324.

New Executive Secretaries Are Named in Two States

Lampkin Succeeds Weaver in Oklahoma; McFarland for MacLellan in Maine

Two new executive secretaries of state associations of insurance agents are appearing on the scene. In Oklahoma there is a new secretary in the person of Page Lampkin who has already taken office, and in Maine, George McFarland has been appointed effective Sept. 1.

In Oklahoma Mr. Lampkin succeeds Tom Weaver, the latter having resigned to go with U. S. F. & G. in an underwriting capacity. This is the second state association executive to depart in order to take a U. S. F. & G. position, the other having been Urban Krier of Wisconsin.

Mr. Lampkin has been a teacher for six years; for the past year he was superintendent of a school in Tulsa county, prior to that for four years he was in the Sand Springs school system. He graduated at University of Tulsa and just got his master's degree in educational administration. He was in the engineering corps in the last war.

In Maine it was previously reported that Richard B. MacLellan of Augusta had resigned as executive secretary to go with Allied Mutual of Houlton, Me. Mr. McFarland is resigning as special agent for Fire Association to take this position and he will assume his new duties at about the time of the Maine state convention at Hotel Somerset at Rockland, Sept. 9-11.

Hartford Prepares to Stretch Its Legs in Western Department

As Aetna is moving its western department headquarters to its own building at Park Ridge, Ill., Hartford Fire is preparing to stretch its legs in the west, so to speak. Hartford and Aetna have had their western departments in the Wrigley building north of the river at Chicago and they have become extremely cramped during the last few years of expansion. Both companies have had to take auxiliary space in other buildings. For instance, the farm and mill and elevator departments of Hartford Fire have been located in the Esquire building. Hartford is going to take over all of the space in the Wrigley building that is vacated by Aetna and this will enable Hartford to have all of its activities under one roof. Hartford will then occupy all of the 8th, 10th, 11th and 12th floors, and all but about 20% of the 9th floor in the Wrigley building. It will also have a lot of basement space. It will have altogether some 85,000 feet of usable space and 25,000 feet of dead storage space. Hartford is preparing for a lot of alterations and for a shifting about of the departments.

Reed Firm Elects

The independent adjusting firm of Prentiss B. Reed & Co. in New York City has elected John J. McAndrews president, Felix J. McAndrews vice-president, and Mrs. Carolyn H. Garland secretary-treasurer (reelected). The McAndrews brothers have been with the firm several years.

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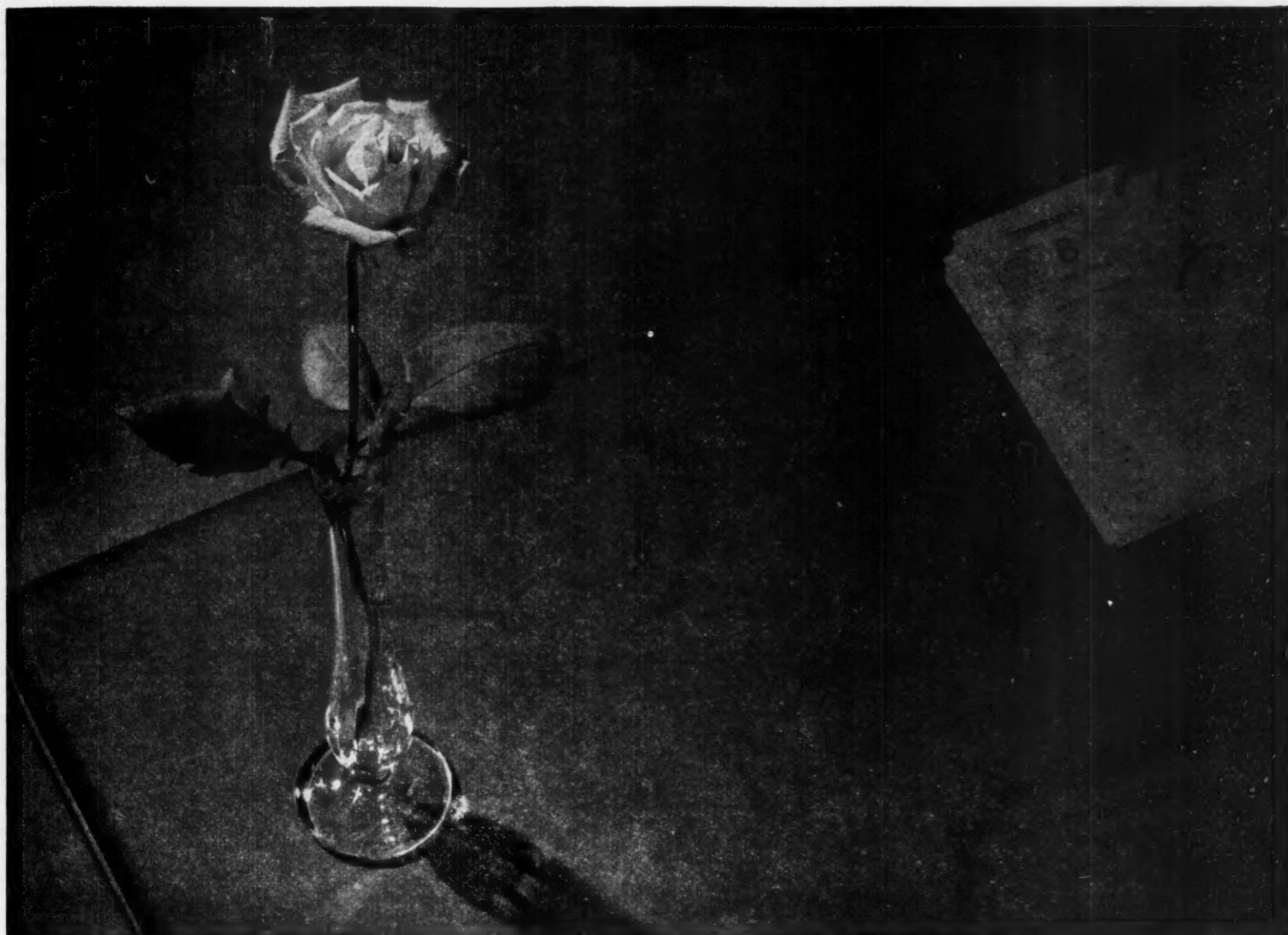
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What has a rose to do with the cost of automobile insurance?

Since 1944, State Farm Mutual has followed the pleasant practice of placing a rose on the desk of each employee on the morning of that employee's birthday.

This is a little thing in itself—but it has a big meaning. It is a symbol of the spirit which has pervaded State Farm operations since the beginning and still continues to mold and shape State Farm destinies.

We call it the "family spirit". And we come by it naturally. For, to an unusual degree, State Farm Mutual is a business family. It is organized and administered, not for the few, but for the many. It is owned by the more than 2,700,000 American car owners who comprise its membership and whom it serves.

Among its staff of 4600 workers in field and office, responsibilities differ at different levels. But there is no dividing line between "employer" and "em-

ployee." All work together toward a single goal: that of keeping faith with those who look to us for efficient handling of their insurance needs.

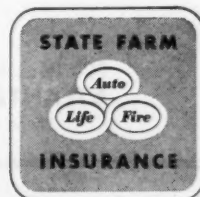
The results of this spirit of mutual responsibility and common purpose have been many. Without this spirit from top to bottom of our organization, nothing State Farm has done in the past thirty-one years could have been done so well or so rapidly. In particular, the feeling that each employee has a vital share in our total responsibility has led to ideas and suggestions which, when adopted, have resulted in significant savings for our members.

The birthday rose, therefore, really does have a great deal to do with the cost of automobile insurance at State Farm Mutual. It is the symbol of the fellowship, the united purpose and the shared responsibilities which have given our company a character of its own—and which are helping us hold insurance costs low for more than 2,700,000 car owners.

State Farm Insurance

State Farm Mutual Automobile Insurance Company
and wholly owned affiliates

State Farm Life Insurance Company
State Farm Fire and Casualty Company



Home office—Bloomington, Illinois. Branch offices—Berkeley, California—St. Paul, Minnesota—Lincoln, Nebraska—Marshall, Michigan
Dallas, Texas—Charlottesville, Virginia—Toronto, Ontario. Field claim offices in more than 300 principal cities.

Chubb Tells Solons of Importance of U. S. Marine Market

WASHINGTON—Testimony of Percy Chubb indicating that the Mutual Security Agency policy respecting marine insurance on U. S. exports to friendly foreign countries under the aid program has not been defined, nor has the Eisenhower administration taken a position regarding the matter, caused Senator Butler, Maryland, to state that he hoped Senator Potter, Michigan, chairman of a subcommittee investigating U. S. maritime problems, would name the two of them as a special committee to "look into this MSA business."

Senator Butler made it clear at the hearing before the senate interstate and foreign commerce subcommittee, at which Mr. Chubb appeared, that he thought U. S. government agencies at least should not have policies which discourage American marine underwriters in getting a greater share of the coverage of U. S. government-financed exports. Mr. Chubb said he had been working on this matter since 1948 and that the attitude of the State Department with respect to the matter has "definitely changed." Economic Cooperation Administration, MSA's predecessor, took the position that it allotted a sum of money to a foreign participant in the Marshall plan and did not like to tell that country how to spend it—for marine insurance, transportation, etc., for example.

Mr. Chubb outlined functions of the American marine insurance to the committee. Presenting a summary of legislation and committee action bearing on the business and its relation to the national economy, he said it is essential to American foreign trade. This market is "a dynamic and growing one" not static, and currently insures \$13 million on the liner United States and 20% of insurance on the Cunard line fleet.

Mr. Chubb told of the marine industry's efforts to secure elimination of foreign governments' discrimination against American marine, through the State Department, International Cham-

ber of Commerce and United Nations organizations. Nevertheless, he cited as still discriminatory laws or decrees of Argentina, Colombia and Iran, tending to require placement of marine coverage in the market of the enacting nation.

The American market does not ask mandatory legislation requiring American insurance of foreign trade, but has "felt that the position taken by the government agencies presents a real opportunity to foreign governments to discriminate unfairly against American interests..." Mr. Chubb said.

He stated ECA and MSA have required that U. S. dollars will be provided for marine insurance "only when requested by the government receiving the aid," thus putting the recipient government in position "to exert great pressure upon the foreign importer" to place coverage in the insurance market of the recipient nation. The result, Mr. Chubb charged, is that "in a substantial number of cases marine insurance is placed at very much higher rates than would be available in the American market."

In conclusion, Mr. Chubb suggested reaffirmation by the committee of the principle of the importance of the American market to the U. S. merchant marine and foreign commerce.

\$2½ Million Loss in Luckenbach Sinking

The collision of two freighters off San Francisco, the outbound Jacob Luckenbach with a military cargo, and the Hawaiian Pilot, which resulted in the sinking of the Luckenbach, involved about \$5 million of insurance on the two hulls, around \$2½ million on the Luckenbach. The insurance is understood to be about half in the U. S. and half in the English market.

The collision occurred in a fog. Hawaiian Pilot lost about 30 feet of her bow.

St. Paul Ups Its Dividend

St. Paul Fire & Marine has declared a 10¢ extra dividend plus the regular 20¢ quarterly distribution, both being payable Oct. 17 to stock of record Oct. 10. Last year St. Paul paid an extra at that time of 5¢. The stock of St. Paul had moved up prior to the announcement from about 30 to 32.

La Salle Casualty, Amer. Income of Chicago Are Merged

The Illinois department last week approved, with an effective date of July 1, the merger of La Salle Casualty and American Income, both of Chicago, with La Salle Casualty to be the surviving name. The deal involved a transfer of the tangible assets of American Income into La Salle Casualty, but there was no change in stock ownership. Under the new set-up, Theo. G. Gaines, former secretary of American Income, becomes chairman of La Salle Casualty, Seymour B. Orner, president of La Salle, remains in that capacity, while Charles B. MacDonell, president of American Income, becomes vice-president in charge of group and brokerage for La Salle. Richard Slott, executive vice-president of the old La Salle Casualty, is now agency vice-president.

La Salle has reinsured all the existing business of American Income.

The new organization will have its headquarters at 180 West Adams street, Chicago, the home office of American Income. Writings will be confined to A. & H. and hospitalization.

La Salle Casualty on Jan. 1 discontinued writing automobile business, and is now entirely out of that field, and it has also disposed of its plate glass insurance line.

La Salle and American Income in 1952 each wrote about \$800,000 in A. & H. premiums.

American Income is the former A.&H. subsidiary company of Reserve Ins. Co. of Chicago that was sold a little more than a year ago to Allen Blank and associates of Omaha. Mr. Blank took Reserve to Omaha for a little while and then it was moved back to Chicago, while the officers of the old Reserve switched their affiliations to American Income and concentrated on the A. & H. line, taking with them from the sale the A. & H. business of Reserve.

La Salle Casualty several years ago made headlines in the Chicago newspapers when Mr. Orner was prominent in the transactions of Illinois Automobile Club, and took over most of the business from that organization when it got into hot water.

As of Dec. 31, 1952, assets of La Salle Casualty were \$1,067,996 and the gross surplus was \$277,830. Its total premium writings last year, including general casualty lines, were \$1,496,040. The capital is \$250,000.

American Income, which is capitalized at \$100,000, had assets as of Dec. 31 of \$391,003 and policyholders' surplus of \$115,608. Premiums written, all A. & H., were \$812,162.

Meritplan Head Tells Its Plans to Meet Specialty Companies' Competition

LOS ANGELES—President John Gurash of Meritplan Ins. Co., Los Angeles, gave the Associated Agents Committee of Los Angeles his views on the automobile insurance situation.

He said a revolution is going on in the insurance business, and that it is being felt most in the private passenger auto field. He declared that the automobile, far from being the luxury it was at one time, now is a necessity in our economic life; that the purchase of insurance goes with ownership of the automobile and that the insurance now is on a quasi-compulsory basis.

He held that insurance no longer is sold to the auto owner, but is bought by him and that this situation has brought about the development of the direct writing and specialty companies. He said those companies have met the demands of the public and that both agents and companies have underestimated their strength. They are in the business to stay, he averred, and asked what the American agency system is going to do about the situation. "Will it adjust its methods to meet the activities of the specialty companies?" he queried. He said the public is buying price every time.

He declared that Meritplan gives the producers an answer to meet the competition of the direct writers; that the public has accepted the direct writing companies' plans, and that Meritplan has adopted those plans.

"We recognize contractually the ownership of the business by the agent, and the billing and expense reducing relieves the agent of details he can devote to other productive activities," he said.

He declared the company is eliminating expensive luxuries, such as credit extensions and flat cancellations that are reflected in the rates. He said Meritplan recognizes the public demand for rate recognition for accident free records.

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15% Dividend, Commission**Northern of N. Y.
Enters Participating
Lists in Wash. State**

SEATTLE—Northern of New York is going on a participating basis as respects fire business in Washington on Sept. 1. Charles H. Conklin, president, was here for some time prior to announcing the decision to write fire business on a 15% dividend basis. Northern's operations will parallel those of General of Seattle in the latter's home state.

James E. Benham, formerly special agent here for Oregon Mutual Fire, opened a new office for Northern in the New World Life building, following his return from a visit to the home office. The Seattle office will report direct to New York.

Assurance Company of America, affiliate of Northern, will operate on a non-participating basis through the same office.

Northern and Assurance will do business through agents and brokers in the conventional manner and will accept brokerage business, Mr. Conklin said. Although no announcement was made, it is believed Northern will pay the same commission scale as General which is 15% and will match the General's facilities capacity-wise. In addition to fire, Northern will write automobile material damage and inland marine. While the company commenced casualty operations in the east early this year, no plans are made to write this class in Washington now.

It is understood Northern does not contemplate a similar move anywhere else. Washington is a state where the participating business has made much headway, led by General. Participating companies wrote 24% of the fire and EC business in 1946, 28.4% in 1952. Northwestern Mutual writes a substantial volume on the same theme, the 15% dividend, followed by Oregon Mutual. They are among the top writers in the state. General has a campaign on this year to add \$1 million in premiums, and with its bill boards, newspaper advertisements, etc., it is likely to do it. Agents in the state who do not represent dividend paying insurers have been complaining of daily loss of business, and it is believed that the Northern move will be welcomed.

**Mutual Loss Managers
Arrange for Chicago
Program Sept. 16-18**

The agenda has been put out for the Mutual Loss Managers Conference Sept. 16-18 at the Edgewater Beach hotel, Chicago. On Sept. 16 there will be a closed meeting of company representatives while the next two days the sessions will be open to company people and adjusters. Chairman of the committee is H. B. Robertson, Northwestern Mutual Fire, Raleigh, N. C.

At the closed meeting there will be presentations in behalf of the forms committee and on processing of casualty and multiple lines losses in home office. Gordon Davis, secretary-manager and R. L. Lusk, educational director of Mutual Loss Research Bureau, will give reports.

On Sept. 17, Alfred Rode, vice-chairman of Northwestern Mutual Fire, will give the welcoming address,

and A. F. Noll, senior vice-president of Liberty Mutual, will speak on "The Adjuster's Place in Public Relations."

Luncheon speaker will be Laurence Hall of Cleveland. In the afternoon with R. J. Elliott of American Manufacturers Mutual as chairman, Max J. Gwertzman of New York will speak on "The How and When of Signed Statements on Property Losses." There will be an inland marine seminar with T. E. Crowley holding forth on who is the insured under a PPF; Gordon L. Ingebritson, on "Mysterious Disappearance vs. Theft;" Robert C. Haase

on "Replacements," and F. D. Hawkins, on the "Sue and Labor Clause."

The next morning with Richard E. Felts of Druggists Mutual of Mansfield as chairman, Mr. Lusk will speak on "Adjuster Education" and Paul H. Heineke, Chicago attorney, on "The Interest Policy Up-To-Date." Luncheon speaker will be Frank H. Beach of Urbana, Ill.

M. M. Johnson of South Bend, president of National Assn. of Independent Insurance Adjusters, will speak in the afternoon, and then there will be what is called the Town Meeting of the Air.

**Pleune Is G. R. Manager
for J. M. Wilson Corp.**

Mark Pleune, who has become manager at Grand Rapids for the J. M. Wilson Corp. of Kalamazoo, is a graduate of University of Michigan and has completed parts 1 and 2 of the C.P.C.U. examinations. During the past year he has been connected with the Pleune agency that is owned by his father and he is a member of the executive committee of Michigan Assn. of Insurance Agents. He was an air force captain in the last war.

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Ohio Reciprocal Agent Bill Becomes Law

COLUMBUS—Gov. Lausche has signed House Bill 702, which subjects sales representatives of reciprocals to the same licensing and examination requirements as agents of any other insurer. The law becomes effective July 1, 1954.

The bill represents a victory for Ohio Assn. of Insurance Agents, which sponsored it after losing a similar attempt in the 1951 session. It exempts full time salaried traveling representatives of reciprocals, such as those of the large fire inter-insurers. Specifically it is aimed at automobile dealers, who, after being debarred by the 1949 law which refused licenses to agents to write business on property in which they were interested as vendors, found a loophole in the failure of the agency law to apply to reciprocals. The Ohio agents feared that if this bill did not

pass, furniture and appliance dealers would likewise work themselves into the insurance business.

Smoke Screen Let Loose in Okla. by Rate Filing Foes

Two separate workmen's compensation rate increase proposals were the subjects of hearings at Oklahoma City before the State Insurance Board. One is for a one point increase in the rate to compensate for the occupational disease liabilities imposed by new legislation. The other is for a 1.8 point increase deriving from the increase in maximum weekly benefits from \$25 to \$28. National Council on Compensation Insurance in connection with the latter filing, said that the 1.8% increase is all that is asked for despite the fact that the increase in maximum benefits would increase average cost by more than 6%. Joe Beaver, secretary of the insurance board, said that a 4.3% reduction would probably have been in order had it not been for the increase in weekly benefits.

Objection was voiced to the increase on account of the OD element at a hearing. For instance, State Rep. Cunningham of Oklahoma City put up the argument that this "looks like a definite trend" to keep new industries from Oklahoma. He pointed to the rate increase that was asked in asbestos manufacturing. He said that there is none such in Oklahoma now and the rate ought not be set up until the risk is there. E. J. O'Connor, executive secretary of Associated Industries, objected to what he said is setting rates in Oklahoma on the basis of experience in other states.

Speaking in behalf of the rate filings were Perry Inhofe, president of Tri-State of Tulsa and Ralph Neely of Oklahoma City. J. H. Boyajian spoke for National Council.

Pattern Floater Loss in Ill. May Cost \$2 Million

Losses which are expected to wind up in the neighborhood of \$2 million resulted from a fire last week at a warehouse of the Lindgren Foundry Co. of Batavia, Ill. This warehouse contained wooden patterns for foundry dies that were in the possession of the Lindgren Co. on a jobbing basis.

The warehouse buildings were burned to the ground. One of them was an old frame shed and the other was a frame skeleton with a corrugated iron covering. The most that would be involved on the property is \$50,000. The Lindgren Co. also carries business interruption insurance, but the settlement of this, as with the patterns, is an extremely difficult and lengthy process.

Apparently most of the patterns were insured under pattern floaters by the owners. This means that the adjusters, among them being Underwriters Adjusting, Western Adjustment, Haase, Meyer & Co., will have to go direct to the owners and determine whether the patterns were currently in use, whether they were at the Lindgren Co. for storage, whether they were obsolete, and so on. Most of the adjustments will be made with the individual owners, but is it not until most of this has been cleared away that the business interruption loss can be tackled satisfactorily.

Tracking down ownership and the current status of patterns will involve numerous adjusters who will have to get in touch direct with the insured pattern owner at his place of business and determine pattern by pattern the value of each. Generally, pattern equipment floaters, an inland marine form, are written with a limit at a certain location with a smaller limit at any other location.

Also there is the question of whether the Lindgren Co. had agreements with some of the pattern owners as to who would carry insurance, and the agreement of guiding principles is involved here. If the pattern owner has a written agreement with the Lindgren Co. that Lindgren would carry insurance, that is one thing, but if there was an agreement the other way, the loss is settled directly with the pattern owner. Losses of this nature take months to clear up. A pattern that is necessary for current use involves pattern maker's time for reconstruction, etc., and will fall heavily on the business interruption coverage.

This loss is reminiscent of one that occurred in Chicago a few years ago to the Hansell-Elcock Co. Foundry in which Giddings & Lewis had a loss of some \$300,000 under a pattern floater.

Seek Mo. Assistant Secretary

L. D. Gunn, chairman of the rural agents committee of Missouri Assn. of Insurance Agents, is pushing a voluntary fund among the rural members to provide enough new money to hire an assistant to the executive secretary. Recently President Joe Jackson of Maryville sent a letter to the members of the association outlining a plan to raise \$7,000 which will make it possible to employ such an assistant.

This would mean the eventual transfer of the association office from St. Louis to some central location in the state, and employment of a full-time executive secretary. Executive Secretary Bennett G. Gregory now devotes most of his time to his duties as man-

ager of the Insurance Board of St. Louis, which pays him substantially more than his limited compensation from the state organization.

Langer Puts Hurdle in Way of FR Law for D. C.

WASHINGTON—President Eisenhower has signed the bill to allow life insurance agents licensed in the District of Columbia to solicit A.&H. business without passing another examination.

The Senate briefly considered the D. C. motor vehicle responsibility act, but passed it over on objection of Senator Langer, North Dakota, chairman judiciary committee. After Senator Beall, Maryland, had explained the bill, Senator Case, South Dakota, chairman of the D. C. committee, said he had received "some phone calls that the bill was drawn in the interest of lawyers and insurance companies." Beall replied the bill is for protection of the public and is in effect in 43 states. That satisfied Case.

But Senator McCarran, author of public law 15 which bears his name, asked how much insurance would be required under the bill. Beall replied \$20,000. "That simply means the insurance companies are sure to get more business," Mr. McCarran commented. Then the Langer objection was enforced and the bill went over on call of the calendar under unanimous consent.

Report Ky. Local Agents to Form New General Agency

Although plans have been fairly well kept under cover, it is reported that a group of well known local agents throughout Kentucky are forming a new general agency, which it is understood will be known as the Cardinal General Agency, with headquarters at Bowling Green, Ky.

Agents mentioned as being associated with the promotion of the new general agency include C. S. Gardner, Owensboro; Hendree Milward, Lexington; Guy Billington, Murray; Ernest Fall, Fulton, and Charles Moore, Bowling Green.

It is understood that Birmingham Fire of Pittsburgh has agreed to plant with the new general agency for all of the state except Louisville and the Covington-Newport area. The agency is reported to be looking for a casualty company, and probably plans additional fire as well as casualty connections.

It is said to have arranged for an outstanding man, with long years of experience in fire, and considerable knowledge of casualty, to operate or manage the agency. It is understood that plans to sell stock in the general agency are being worked out.

American Live Stock of Geneva, Ill., has applied for license in California.

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Correction on E. C. No. 3

The item in the July 16 issue about extended coverage form No. 3 as adopted in New Hampshire was incorrect in stating that is the only state in which it has been adopted. West Virginia adopted it in January this year, and it has been recommended for adoption in other jurisdictions. The reference in the story to indirect coverages is to riot and civil commotion and vandalism and malicious mischief.

The figures given for sprinkler leakage business for 1952 were incorrect. Instead of \$77,666,000, 1952 sprinkler earned premiums were \$7,666,000.

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Commission Cut Only Way to Cut Costs, Investment Man Says

SAN FRANCISCO—The only way for insurance companies to cut costs is to cut agents' commissions, in the opinion of Walter C. Gorey, head of the investment firm bearing his name, which specializes in insurance company shares.

Acting as moderator of a meeting of Security Analysts of San Francisco, Mr. Gorey expressed his opinion during a panel discussion of insurance stocks, the members of which were Fred H. Merrill of Fireman's Fund and Frank L. Higgins, insurance specialist of Blyth & Co.

Mr. Gorey said the insurance premium dollar is being "squeezed" more and more each year. He said Fireman's Fund underwriting income is only 37 to 38 cents on the dollar—and that 25 cents of this goes to agents' commissions. This situation is serious to smaller companies, he pointed out, and said he believes there will be fewer companies operating 10 years from now. Investors in these companies destined to retire will be protected, he said, because they will likely be merged with the larger companies.

Mr. Merrill believes the outlook for the insurance business is good this year. He emphasized that insurance companies' investment operations are secondary to providing protection to the public.

He said his observations indicate that all classes of insurance will be profitable this year, including automobile. As to company investments, he said the portfolios of companies have not been seriously affected by the decline in the bond market. He reported that of the \$150 million government bonds held by Fireman's Fund the depreciation was \$7 million or a little more than 3%, a small swing when compared with fluctuations in stocks. He estimated that losses suffered by the companies as a result of tornadoes in eastern states would range between \$50 million and \$75 million compared to the \$150 million paid out after the New England hurricane of 1938.

Mr. Higgins reported that he has observed an increasing investor interest in life insurance shares because of the great growth of the business and the advent of higher interest rates. In fire and allied lines, he said, the companies are cushioned against economic reversals by the decline in the costs of loss settlements and that rate adjustments downward lag behind general price trends while upward adjustments lag during inflationary periods.

Employers Group Advances Three at U.S. Head Office

The Employers group has appointed Richard E. Alger personal assistant to Edward A. Larner, United States manager. He has been with the companies since graduating from Harvard in 1936. He succeeds Carleton H. Klinck, who will attend the next session of the advanced management program at the Harvard school of business administration, and on completion of this course will be assigned to new duties.

William Gaythwaite has been appointed superintendent of the home office expense control department. He is a graduate of Harvard graduate school of business administration and has been with the companies since 1937, serving as assistant superintendent of the expense control department since 1949.

Alexander Parker has been pro-

moted to assistant superintendent of that department. He is a graduate of Tufts, joined the group in 1946 and has been supervisor of the methods and planning division of the department since 1949.

Expand Chicago Office

The Byrnes-McCaffrey agency has considerably enlarged its Chicago office to facilitate handling its increased direct writing operations. This is the third time the branch has taken over additional space since it established offices at Chicago in 1949. H. F. Erzinger is in charge.

New Dwelling Broad Form Now in Effect in Washington

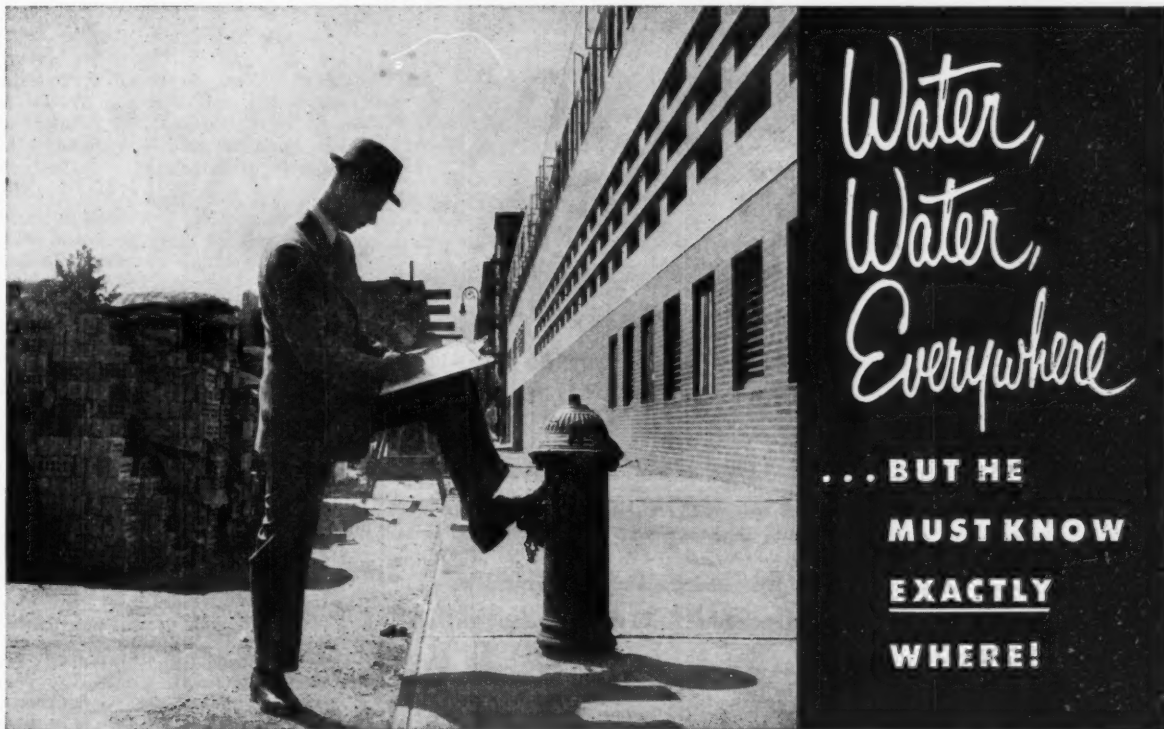
The new dwelling-building-broad form went into effect in the state of Washington July 13. Washington Surveying & Rating Bureau has announced a rate of 5 cents.

John Henry Martin, manager of Standard Forms Bureau, will appear on the Washington agents' convention program Sept. 3-4 at Seattle to review the experience with the form in California. The Washington form is identical with that used in California, except that paragraph "N" will not apply

outside of that state. That paragraph covers "accidental admission of rain, snow, hail, sand or dust."

Minn. Deposit Premiums Up

MINNEAPOLIS—Increases of \$5 to \$10 on deposit premiums under the automobile assigned risk plan were announced this week by G.U. Blomholm, chairman of the Minnesota assigned risk plan governing committee. Effective Oct. 1 most passenger cars will carry a deposit premium of \$25 instead of the present \$15 and the deposit premium on most trucks will be \$25 instead of \$20.



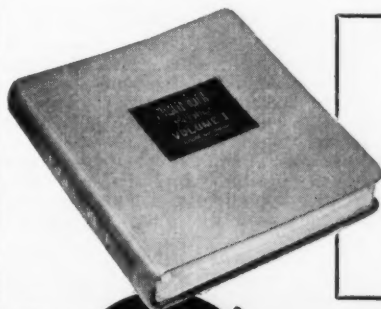
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Nine States Have Enacted New or More Stringent Financial Responsibility Laws

New or more stringent financial responsibility laws were enacted this year in at least nine states—Arkansas, Maine, Maryland, Missouri, North Carolina, Oregon, South Dakota, Vermont and Wisconsin.

Similar bills failed of enactment in

Florida, Indiana and Kansas, while bills to repeal financial responsibility laws were killed in South Carolina and Texas. Delaware modified its responsibility law to permit occupational driving under specified conditions by those whose regular licenses have been

suspended.

Proposals for outright compulsory auto liability insurance laws, such as currently effective only in Massachusetts, were rejected in every legislature in which they appeared. States in which such bills were killed included Arkansas, California, Connecticut, Georgia, Idaho, Indiana, Maryland, Missouri, New York, Pennsylvania, South Carolina, Tennessee, Vermont and Washington.

Compulsory liability insurance for minors, as required in New York and Rhode Island, was unsuccessfully proposed in Indiana and New Hampshire.

Unsatisfied judgment fund bills failed of enactment in Connecticut, Maryland, New York, Ohio, Oregon, Pennsylvania and Vermont. A bill to repeal North Dakota's U.F.J. law was killed. Michigan and New Jersey also have laws of this type.

Impoundment laws were unsuccessfully proposed in New York and Wisconsin, while such a measure affecting only out-of-state vehicles was rejected in Connecticut.

On a state-by-state basis, current and prospective developments in this field of legislation include:

Arkansas: Enacted new law strengthening the financial responsibility act in line with the uniform motor vehicle code. Rejected compulsory insurance proposal.

California: Compulsory insurance proposal got nowhere in the legislature, despite a recommendation of Attorney General Brown for consideration of such legislation.

Connecticut: Legislature rejected bills calling for compulsory insurance and establishment of an unsatisfied judgment fund.

Delaware: Modified financial responsibility law with respect to persons requiring their cars or trucks in their occupations. The new bill permits the state motor vehicle commissioner, on receipt of proper affidavits, to issue a limited operator's license or registration to any person whose license or registration has been suspended.

Florida: A bill to strengthen the present financial responsibility law failed of enactment. It would have made the act applicable to the first accident and also would have deleted self-insurance and other features of the present law.

Georgia: Rejected compulsory insurance bill.

Idaho: A bill to require proof of financial responsibility before obtaining automobile licenses was passed by the senate but died in the house.

Indiana: Bills rejected by the legislature included measures which would have made automobile liability insurance a prerequisite for the granting of motor vehicle licenses; made it unlawful for a minor to operate a motor vehicle not covered by liability insurance; and increased the amount of financial responsibility required of motorists involved in accidents from \$1,000 to \$5,000 for property damage and from \$5,000-\$10,000 to \$10,000-\$20,000 for personal injury or death.

Kansas: A bill for a stronger financial responsibility law of the so-called security type died in a legislative conference committee just prior to adjournment.

Maine: Enacted a new law increasing B.I. coverage required under the financial responsibility act from \$5,000/\$10,000 to \$10,000/\$20,000 and from \$1,000 to \$5,000 for P. D.

Maryland: Enacted a new law raising financial responsibility limits from \$5,000/\$10,000 to \$10,000/\$20,000 for B. I. and from \$1,000 to \$5,000 for P. D. Rejected bills for compulsory insurance and unsatisfied judgment fund.

Massachusetts: Enacted a new law establishing a merit rating system for compulsory insurance, under which in-

surance costs will be increased for those with bad driving records or those whose cars have poor experience ratings. The new act will not affect insurance rates until Jan. 1, 1956, although the demerit system is expected to be started in a few months. Numerous other bills dealing with the Massachusetts compulsory insurance law, including proposals for its repeal, failed of enactment.

Missouri: Enacted a new financial responsibility law providing for loss of driving privileges of motorists involved in accidents causing personal injury or property damage in excess of \$100 who are unable to demonstrate their ability to pay up to \$10,000 for personal injury or death or \$2,000 for property damage. Rejected a compulsory insurance bill.

New Hampshire: Approved a bill to create a five-member interim committee to conduct a comprehensive study of motor vehicle liability insurance. Bills rejected included a proposal to require liability insurance on any motor vehicle registered to a person under the age of 21.

New York: Legislature rejected proposals by Governor Dewey and the majority of a special joint legislative study committee for compulsory in-

(CONTINUED ON PAGE 22)

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"In Trust" Agreement Creates Danger of Coinsurance Penalty

Granite Chips, the publication of New Hampshire Assn. of Insurance Agents, calls attention to the fact that the "in trust and commission clause" recently has been a subject of correspondence between Archie Slawsky of Nashua, the president, and Arthur O'Connell of Cincinnati, chairman N.A.I.A. property insurance committee. The New Hampshire agents' committee also has discussed the matter, and the clause previously has been studied by Eastern Underwriters Assn. It is even suggested that eventually the clause may be changed.

The trouble is that the clause is a definite broadening of the form and is generally accepted as a good thing for that reason. However, several cases have come to light recently where the inclusion of the clause worked a hardship on insured because of coinsurance requirements.

For example, assume a furrier has a stock of \$20,000 worth of furs that he normally would insure 80% or for \$16,000. If at the time of loss insured had \$16,000 worth of customers' furs on hand for storage or repairs without specific insurance on them, he would become a coinsurer by 50%. In an Ohio case a concern became a coinsurer under similar circumstances for \$300,000.

Various companies interpret the clauses in different ways, but court decisions that association officials have seen hold that customers' goods must be included for coinsurance purposes. Nor does the wording of the clause restrict coverage. Originally the clause read to cover customers' goods for which the insured may be liable. The courts held that this meant direct coverage whether the insured was actually legally liable in the case in question or not. The wording was then changed to read "covering property of others... providing the assured is legally liable therefor." But in spite of the change in wording, the federal appeals court for the fifth circuit has given the same interpretation as under the old wording. The court's statement, in part, is:

"In applying the policy provisions the trial court properly gave great weight to the fact that the entire tenor and effect of the contracts was insurance against property loss by fire and not insurance only against the legal liability of the named insured for the fire loss. The policies provide property insurance—not indemnity or liability insurance. Whether the described commodities were owned by the insured or 'held in trust or on consignment or for storage,' in either and all events it is provided that the policy shall cover 'property.' It was likewise correctly determined by the trial court that the phrase 'provided the insured is legally liable therefor,' when considered in connection with these policy provisions providing insurance on property, should be considered to refer to the present and existing liability of the custodian generally and not restricted to liability which was the consequence alone of a fire... Furthermore, as remarked by the trial court, the argument overlooks the frequent tendency of bailees to attempt contractual stipulations against their common law liability."

Until some solution to this problem is reached, agents are cautioned by Granite Chips to be on the alert for situations where insured may be penalized under coinsurance provisions

because of having large quantities of customers' goods on the premises. The recommendation that the agents' association made at the conference committee meeting was that legal or assumed liability for goods of others be made a separate item in the form to be filled in if coverage is desired or omitted as the circumstances dictate.

Schiff, Terhune & Co. has appointed Joseph McEnroe assistant vice-president. He has been with the firm ten years and previously was head of the marine department.

Vt. Agents Out for Blood

At the annual meeting of Vermont Assn. of Insurance Agents at Lake Morey, Sept. 14, there will be a forum in the morning conducted by Elmer Marsh, the state motor vehicle commissioner. He will cover various aspects of the automobile financial responsibility bill that becomes effective Oct. 1. He will be prepared to answer questions.

The previous day the semi-annual golf match between company men and agents takes place at Lake Morey Inn. The field men were the champions last

May at Woodstock, so the agents now have revenge in their hearts. Walter T. Aher of Ludlow is in charge of the golf.

Starting Sept. 1, the motor vehicle department will conduct its educational campaign on the FR law and there will be spot radio announcements for 30 days and the FR law leaflet will be widely distributed. It is estimated that about 40 to 50% of the cars are presently insured.

Insurance Women of Tacoma have elected Mrs. Lawrence Fejfar, president; Mrs. Frank Farnham, vice-president; Mrs. James Seceto, 2nd vice-president; Miss Zella Collier, secretary and Mrs. James Parrott, treasurer.

To help you explain the Coinsurance clause

-- about Coinsurance

"... to make sure that you will be properly reimbursed if and when your property is damaged or destroyed."

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Have you ever had difficulty in explaining the workings of the Coinsurance clause of a Fire Insurance policy to your clients?

Then, here's a booklet "about Coinsurance" that may help you.

Written in non-technical language, it explains the operation of this clause, shows why it is used, and how it may enable the insured to obtain a lower rate.

It shows, for example, how a client can suffer even in case of a *minor* loss, if his policy does not meet Coinsurance requirements.

And it shows, by simple arithmetic, how he can protect himself against such loss.

You'll find it a helpful, time-saving booklet to use in advising your clients. Use the coupon below for your copy, or several copies... they're yours for the asking.



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City.....State.....

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W. H. Eagleton Ore. Bond Head for American Auto

William H. Eagleton has been appointed bond manager at Portland, Ore., for American Auto. He has been bond superintendent for Aetna Casualty there since 1950. He is vice-president of Surety Assn. of Portland and conducts the bond course at Multnomah college. He is a graduate of Colo-

rado college and joined Aetna Casualty in 1947 at San Francisco. He was a marine lieutenant during the last war.

C. A. Bonner, superintendent of the safety division of Swett & Crawford, has been awarded the J. Wesley Gebb Memorial Award for outstanding service in the field of industrial safety. The award is sponsored by American Society of Safety Engineers.



Your community is full of short safety stories. You see them—or *should* see them—on streets, in buses and streetcars, at beaches and playgrounds, and in other public places:

"Slow—Children Playing" "Watch Your Step" "No Smoking" "Use Pedestrian Crosswalks" "No Swimming Beyond This Area."

A worth-while project for your community safety organization would be to see whether such necessary warning signs are posted in all danger areas. Then publicize the need of observing these signs.

The Zurich-American Safety Zone film, "Stop, Look and Beware," will help you do this. Safety Zone productions are ideal for the public education so necessary in community safety—and for calling attention to the services available through your agency.



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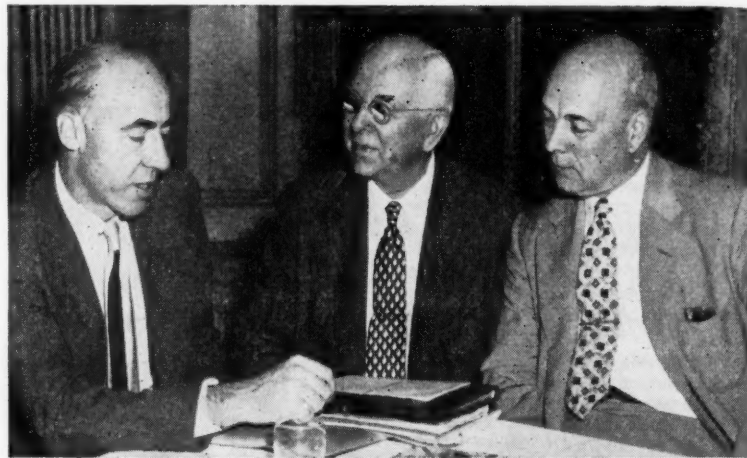
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Bigwigs at Western Company-Agent Meet



Bigwigs at meeting of conference committee of Mid-West Territorial Conference with insurance company and bureau men at Chicago: Kent Parker, manager of Western Actuarial Bureau; E. A. Henne, vice-president of America Fore and chairman of subscribers actuarial committee and company spokesmen at conference, and J. L. Ashton of Milwaukee, chairman of agents conference committee and spokesman for agents group.

Course on Legal Medicine Given at San Francisco

More than 250 doctors, attorneys and casualty claim men attended a week-long short course on legal medicine at San Francisco. Every phase of the subject was presented in detail, by more than 50 participants including leading surgeons, physicians, plaintiffs' and defense attorneys and insurance claim men from all sections of the country.

General director of the course was Herbert W. Smith, director of the law-science institute of University of Texas. The chairman of the advisory committee which set up the San Francisco conference was Wallace E. Sedgwick, defense attorney of the firm of Creede, Keith & Sedgwick.

The last day developed a prolonged discussion on the pros and cons of comparative negligence, with champions of both sides participating freely.

Warren E. Schell, claims manager of the Pacific Coast department of America Fore, said the course underscores the importance of cooperation between medicine, law and insurance; that neither can ignore the other and that the insurance attorney, claims executives and adjusters must acquire greater knowledge of medicine and surgery in order to prepare their cases.

Safety Awards at Oakland

As a supplementary activity in its year-long campaign to reduce automobile accidents, members of Oakland (Cal.) Assn. of Insurance Agents are distributing reprints of the May *American Magazine* article, "High Cost Auto Insurance: What You Can Do About It."

Recognition of the association's safety activities was made at the recent annual meeting of the East Bay chapter of National Safety Council where plaques were presented to Ed. Smith, president; Charles Benton, president of the neighboring Berkeley Assn. of Insurance Agents; George Johnson, vice-president of the California association, and Herbert Manners, general manager of National Automobile Club, along with representatives of cooperating groups. The presentations were made by Donald D. Doyle, past president of the Oakland association and a member of the legislature.

Wichita Agents Hold Outing

Wichita Assn. of Insurance Agents held its annual outing July 16 with public officials and company men as guests. Only 131 attended this year, due partly to the press of claim business and partly to a heavy rainstorm

which hit during the late afternoon. Among the guests were Frank Sullivan, Kansas commissioner; Fire Actuary Brown and Pat Carden, assistant general adjuster of National Board and head of its disaster office. Past President A. E. Smoll of Smoll-Bounous was general chairman.

Bangor Contractor Blowup Causes Surety Problems

Surety people are following developments in the receivership of T. C. Cunningham, the well known contractor of Bangor, Me. He had been in this business for a great many years and was regarded as a fixture. He was in the midst of about 15 jobs when he went under. Most of the contract bonds that are involved were originated by Continental Casualty. Peerless Casualty also had some. It will be some time before it can be told just how much of a net loss can be expected.

*Loss requires
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- Reliance on book values for insurance is misleading and dangerous. Actual cash values established by Continuous American Appraisal Service furnish the proper basis for coverage, re-rating, and proof of loss.

The insured will appreciate such counsel from you.

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Oregon Agents Oppose N.A.I.A. Income and Expense Cost Survey

Opposition to the agency income and expense cost survey of National Assn. of Insurance Agents is voiced in a resolution adopted by the Oregon association. Similar action previously was taken by the Washington and Missouri associations.

The resolution states that the Oregon association "has consistently opposed the national level approach to commissions because agents are independent contractors and must have an independent line of contracts" and also opposes the N.A.I.A. agency income and expense surveys, "feeling this has been another approach to the commission situation on a national level and will again jeopardize the right of contract of the independent agent."

Gregg Chairman of Surplus Line Assn. of Wash.

H. D. Gregg, Cravens, Dargan & Co., was elected chairman of Surplus Line Assn. of Washington at the annual meeting at Seattle. He succeeded W. R. Anger, Sayre & Toso. E. B. Zane, Swett & Crawford, was elected secretary. Named on the executive committee were Stuart G. Thompson, Jr., Stuart G. Thompson-Elwell Co.; John A. Munro, Pacific Marine Insurance Agency; Thomas Telfer, D. K. MacDonald & Co., and Mr. Anger. Irwin Mesher was reappointed arbitrator.

The report of the arbitrator showed that surplus line premiums totaled \$3,011,362 for the year ending May 31, 1953, an increase of \$801,190 over the figure for May 31, 1951. The premiums written for the current year included: Aviation, \$127,160; A. & H., \$557,533; property, \$594,159; inland marine, \$180,865; miscellaneous casualty, \$869,301; auto BI and PD, \$395,250; auto direct damage, \$284,326; surety, \$2,765.

AEP Leaves Md. Unlamented

The annual extension (renewal) plan that is making an unlamented departure from the insurance scene, state by state, will bow out in Maryland Sept. 1. Maryland Fire Underwriters Rating Bureau gives notice that on outstanding policies written with the annual renewal plan option each renewal certificate shall be subject to the full

minimum premium; increase in amount of insurance shall be at full annual current rate or pro rata thereof until expiration of current renewal certificate; reductions in amounts of insurance, changes in rates and cancellations shall be in accordance with the ruling for annual policies, each renewal being considered as a separate one-year policy.

Robert Shaw, recently special agent for Royal-Liverpool in Minnesota and formerly of Wichita, has gone with Dulaney, Johnston & Priest, Wichita.

Would Inform Buyers They Can Transfer Insurance

Commissioner Sullivan of Washington has sent a letter to Washington Savings & Loan League, Washington Auto Dealers, Assn. of Realtors, Washington Bankers Assn., Seattle Mortgage Bankers Assn. and Washington Assn. of Insurance Agents, asking their cooperation in making known to persons purchasing property or arranging refinancing that it is possible to transfer insurance and thus avoid a short rate penalty. He says:

"In connection with the sale of property, including motor vehicles, not infrequently the person handling the transaction arranges insurance. Subsequently, the purchaser becomes aware of the fact that he already owns a policy of insurance and it then becomes necessary to cancel one of the policies short rate."

Carolina Casualty Expands

Carolina Casualty has been licensed in Alaska and in South Dakota.

C.P.C.U. will mark its 10th anniversary in January next year.

HOW COMPANY ASSOCIATIONS . . .

Support You

AND YOUR CLIENTS

Can you fully identify 15 of the 27 sets of initials on the balloons? If you can you're unusually well informed. Yet every one of them is an important national or regional association in property or liability insurance.

Actually there are over a hundred public service, form-making, rating, underwriting, statistical, loss-handling and other company associations active and valuable in the fire, marine, casualty and bonding fields today. Of course many of them are active in only one or several states so that few agents need know about them all. Indeed it would take a 500-page book to tell about all their valuable activities. Then as soon as it was written it would be out of date because these associations change their work as the need arises.

Every such association operates because it enables its members to serve the general public and agents and insureds more completely and economically.

Interesting and Valuable Bulletin — FREE

We have not attempted to write the 500-page definitive book on insurance associations, but we have reviewed for you their work and their values. The new issue of our Agency Sales Bulletin is called, "Company Associations Serving You and Your Clients." It tells in detail about the work of some of the major national organizations. It classifies many of the others, tells the types of work they do and how they help you and your clients.

There are literally thousands of important jobs being done in our business today by these organizations. You will find it useful to know what types of associations do what kinds of work because it will help you to better understand our complex business. The Security-Connecticut Companies are distributing this Bulletin as a service to all agents and brokers in the fire, marine, casualty and bonding fields. Send for your free copy today.



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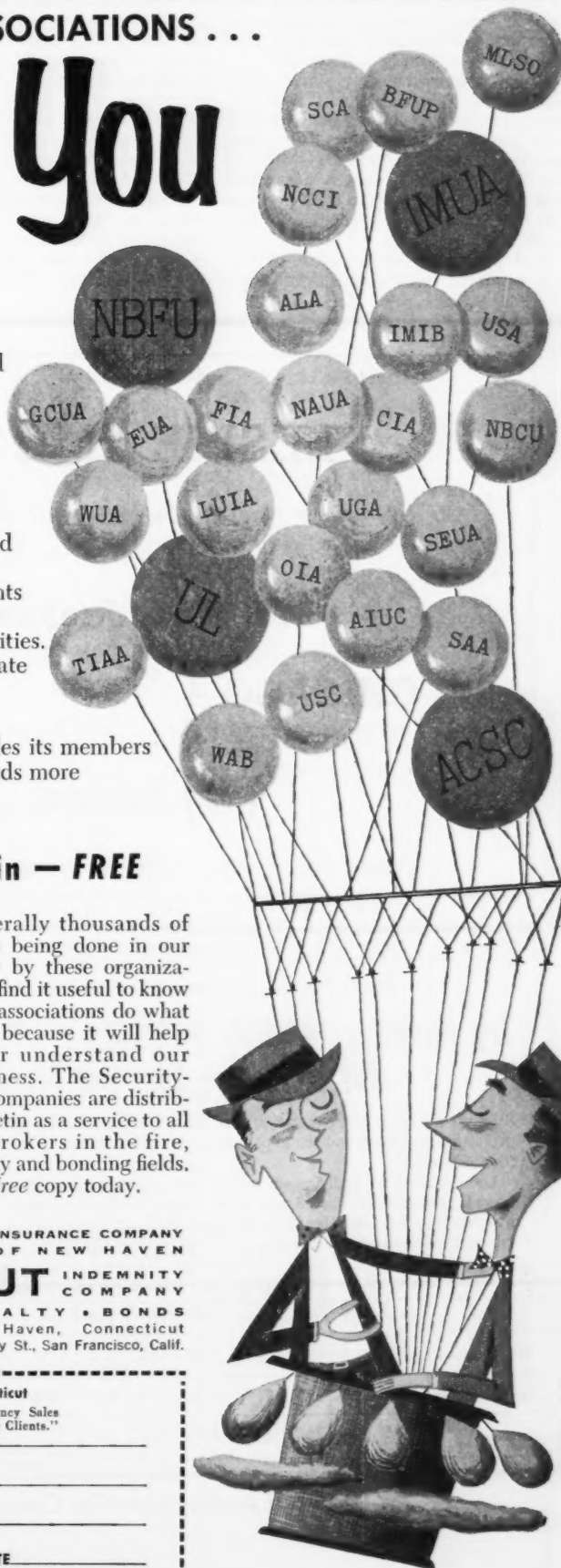
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Kenneth Ross of Arkansas City, and Herman Winter, assistant secretary of America Fore, at company-agent conference at Chicago.



More on Bank Tellers' Occult Compensation

From L. J. Julien, Villa Park, Ill.:
I want to put my two cents into a comment on the editorial on page 24 of your July 2 issue.

I agree that it may be wrong for the newspapers to "always" put in the tag line "to supplement his inadequate salary" every time a bank teller dips into the till.

You say that no one is making a man in that kind of work stay on the job. And you suggest that if he wants to make more money he can go find himself a job where the greater pressure and responsibility will pay him more. This is where I disagree.

It is obvious that you have never worked in a bank. If you had you would understand how it feels to have your insides being gnawed all day long wondering if you'll balance—wondering if you fouled up that last transaction and if you'll get the sack because you had another "difference" only last week.

And pressure—get behind a paying and receiving teller's window the day

after a holiday and when everybody in the world seems to be having a payday. Hand out \$100,000, or more, while worrying about some of those endorsements and wondering how many of those checks are "rubber". (And don't forget to look for counterfeits).

To the truly honest man there's no temptation to "help yourself" no matter how little the basic compensation. And don't think bank officers are always truly honest.

As for promotion, what's the sense of shooting for promotion when the increase in pay usually comes around at the next annual salary consideration period. (This is after you prove you can stand the promotion). The increase, of course, will be a whopping big 25 bucks a month (before taxes). It used to be 15 dollars but that was before taxes hit the little guys. Actually it's easy to get along on \$375 a month these days and that's good money after only 16 years on the job, and if your wife is wealthy.

Why do these men stick on a poor paying bank job for 10-20-30 years? In my opinion they are afraid. Afraid they can't do any other kind of work.

The bank offers a certain degree of security which they are afraid to give up. After a certain number of years they become convinced they are right—they can't make a living any other way.

You're right about it being wrong to steal, regardless of the reason. But give the bank teller an even chance and he'll be all right.

Cover Servicemen in Wash.

The governing committee of the Washington automobile assigned risk plan has reconsidered its rejection of an amendment to make its facilities available to out-of-state servicemen stationed in Washington. A request for reconsideration had been made by Commissioner Sullivan. Heretofore the plan has barred any applicant whose car is registered outside the state.

Prepare for Tenn. Meeting

C. K. Casteel, new president of Insurers of Chattanooga, has appointed J. Byron Taylor, chairman; Mrs. Lula Stephens and John McKenzie to a special planning committee for the annual meeting of Tennessee Assn. of Insurance Agents there Oct. 20-22.

Maryland Cas., U. S. F. & G. Boost Alaska W.C. Rates

Two bureau companies, Maryland Casualty and U. S. F. & G., have filed an increase of 15% over manual on Alaska workmen's compensation rates. Both companies are now about 5% below Lloyds' quotations. Lloyds previously increased its rates 33-1/3% above the former level, which was 90% of manual, plus taxes.

The bureau companies now use the full payroll as a basis and no longer use the overtime endorsement which held payrolls to a maximum of \$100 per week, that figure being considered unrealistic for Alaska at present. This applies, however, to business coming under the Alaska workmen's compensation act only, and not to defense work.

The new compensation act, which became effective June 23, increased benefits substantially.

Maryland Casualty offers a 10% retrospective credit on any compensation risk developing an annual premium of \$500 or more with no losses during the preceding year. With U. S. F. & G. the premium discount is no longer applicable, but schedule rating can be applied on risks developing \$1,000 or more in premiums.

Duncan & Swain Adds to Setup: Has 3 Branches; 21 on Staff

The independent adjusting firm of Duncan & Swain has purchased West Kentucky Adjustment Service of Madisonville, Ky., that was formerly operated by the late George R. Kincheloe, Sr. The office will continue to be operated at 9 North Main street and will temporarily be under the supervision of I. T. Swain, assisted by Francis L. Hess and William H. Hunter. Duncan & Swain's other locations are at Paducah, Ky., and Evansville, Ind. The firm is celebrating its 25th year. It now has 21 employees.

Hauptman to Syracuse Post

Arthur C. Hauptman has been made claim agent at Syracuse for Standard Accident. He joined the company in 1945 at New York.

Harry L. Johnson of the Southwest Land Co. agency, Newton, Kan., is confined to the Kansas state tuberculosis sanitarium at Newton.

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Try Anchor's FAMOUS FORMULA for Increasing Your Fire Premiums!

"Here is the quick and easy way," says Bos'n Dan, "for selling additional protection on homes and rental property." It puts insurance in line with increased values.

Use this table for added profit and the real service it can perform. Here's how: If you are renewing a 3 year policy (written 1950) on a frame dwelling, the insurance should be increased 20%; a 5 year policy (written 1948) on a brick dwelling should be increased 24%.

YEAR	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952
Brick Buildings	112%	105%	95%	86%	70%	44%	24%	15%	19%	4%	3%
Frame Buildings	110%	104%	95%	86%	71%	45%	22%	15%	20%	4%	2%
Contents	74%	72%	70%	67%	44%	16%	8%	13%	7%	2%	1%

TRY OUR MULTIPLE LINE FACILITIES

Fire • Fidelity & Surety
Burglary • Plate Glass
Workmen's Compensation
Automobile • Misc. Gen. Liability
Allied Lines

Use This Handy
Anchor Table in
Selling
Insurance-
to-Value



★ See Your Anchor Man For Complete Details or Write ...



Lyman A. McIntyre, secretary of Springfield F. & M., Chicago, and Lee T. Powell, Mansfield, vice-president of Ohio Assn. of Insurance Agents, at company-agent pow-wow at Chicago.

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More Companies Finding It Wise to Handle Subrogation Matters in Orderly Fashion

NEW YORK—In recent years more and more companies have placed their subrogation matters on an orderly basis, as the complexity of modern economic and social relationships increased. Some insurers today have separate subrogation departments of some size and of considerable consequence; others have assigned subrogation work to one or more individuals. Yet in view of the importance to the insurer of the substantial recoveries that can and are being made in this field, the number is surprisingly small of insurers that have equipped themselves to recover anything like the potential that exists in subrogation.

The activities of the Recovery Men's Forum here have stimulated interest in and recognition of the essential character and importance of subrogation work. The forum, whose chairman is David A. Butterworth of Pacific Fire group, started in 1948 with half a dozen or so individual members and now has close to 100. It has attracted membership from all over the eastern insurance sector.

The importance of subrogation properly conducted on a continuous and orderly basis is that it makes rating function properly. If the insurer does not subrogate (take the collision-property damage liability field, for example) then one rate is being inflated and the other deflated, improperly. The exercise of subrogation places the liability where it belongs. The insurer that does not subrogate is out money which would go to produce a better loss, ratio, increase reserves, pay dividends to stockholders, etc.

Insured is injured when proper subrogation is not performed, and the agent, for example the agent operating on a contingent, doesn't get his just deserts.

In times of a tight market, when a policy is renewed and there is a \$500 loss against an insured, the underwriter may refuse to renew the policy. Yet if the insurer had a properly operated subrogation department, the \$500 might have been recovered, and insured's record cleared. Also, in a tight market, especially in recent years in the automobile insurance field, subrogation recoveries have meant the difference between the cancellation of an agency and keeping it on. The agent should have subrogation in mind when he reports a loss to his insurer, and see to it that insured does not prejudice the subrogation right, because of its importance to him and his insured.

The most active sources of subrogation recovery are automobile, marine (inland and ocean) and fire. This excludes surety salvage which differs from the other lines.

In number, auto is probably the largest source of subrogation situations, though inland marine produces a great many, and when considered with ocean marine, as many companies do in their subrogation departments, for some insurers the total marine would run automobile a close race. Fire insurance does not produce so many situations, but sometimes produces some very important ones, and has become more important in recent years.

In marine, subrogation is so common that it is a basic practice of the business and on large risks which are practically individually rated, the subrogation possibilities are considered in accepting or renewing the business. Sub-

rogation is pretty much taken for granted in automobile. There is something of a public relations problem in the marine field where a bailee relationship exists.

It is in the fire business that a more serious public relations problem arises. Here the relationships that result in subrogation consist of tenant vs. landlord or vice-versa; contractor vs. sub-contractor; etc. A house painter or

interior decorator may be a friend of the house owner, for example, and the latter does not want him sued but with the large business firm or wealthy client there is not too much trouble since he is either insured or is aware of his liability and has reserves or resources to pay for it in case of loss.

In automobile, the most frequent situation involving subrogation is collision and property damage liability, though there are losses paid under the comprehensive coverage—fire, theft, etc.—in which the comprehensive insurer will subrogate. A rather common

situation involving comprehensive would be damage to a car in a garage while being repaired or stored. There is the classic story about the cows that licked the paint off an automobile, but there was no indication in that story as to whether the cows were negligent or the automobile an attractive nuisance.

Those handling subrogation cases soon learn to examine with all possible logic the information contained in the reports on losses by insured. It is only by examination of such reports that

(CONTINUED ON PAGE 22)

DON'T HIDE YOUR LIGHT

A corporation or individual may have all the good qualities in the world, but unless they are known they will never be appreciated.

A light which remains hidden under a bushel attracts neither attention or esteem.

Your company may have age, strength, dependability, service and all the rest of it to offer, but what of it? So have dozens of others. There is nothing unique about it.

But every year we see companies with only average equipment forging ahead, while others, even those of better quality, make little real progress. In all such cases, the company that is pushing to the front is doing so because it is making itself well known, it is publicizing what it is accomplishing and the advantages of representing it. In brief, it is advertising.

If your company expects to get the attention of agents, it will have to advertise or fall behind the procession. Agents don't have to seek companies these days; companies are seeking them. No agent is going to become the representative of an unknown, unadvertised company when he can just as easily secure a company that has had the good business sense to advertise itself to him in advance.

"Don't hide your light under a bushel". That advice is as sound today as it always has been.

The NATIONAL UNDERWRITER

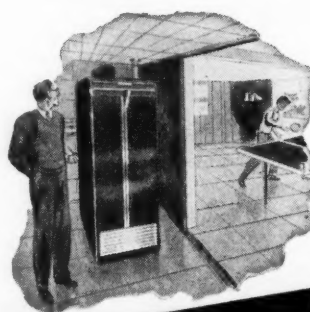
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Number four of a series

This booklet is
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Plan against heating or cooking fires



ABOUT **20%** of fires arise from the heating or cooking facilities.

AT LEAST **19%** of the property loss is due to such fires.

PROVIDE proper construction for all built-in features such as fireplaces and chimneys.

PROVIDE proper installation for all stoves, furnaces and heating equipment.



This booklet's helpful hints on safety are extremely useful to everyone who ever has occasion to build, remodel, make repairs or improvements. These are a few typical subjects which are fully discussed:

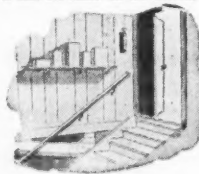
- PLAN YOUR GROUNDS
- PLAN YOUR ENTRANCES
- PLAN YOUR WORK AREAS
- PLAN YOUR TRAFFIC WAYS
- PLAN AGAINST OUTSIDE FIRES
- PLAN AGAINST HEATING OR COOKING FIRES
- PLAN TO RETARD FIRES
- PLAN PROTECTION FROM WIND-STORMS

Your Home Special Agent can supply you with copies of "How to Build..." to suit your needs.

FIRE CONTROL

A fire alarm could be planned for your house with little extra cost and great increase in safety, especially in homes with young children and elderly persons. Alarm bells should ring on the main floor and in each second-floor bedroom.

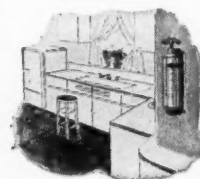
Fire extinguishers should be placed on each floor—installed between the probable source of flames and the nearest exit. In the basement, place it near the stairs. In the kitchen,



near a door. On the second floor, in the hallway near the stairs. A soda-acid or water-type extinguisher will do for ordinary fires of wood, paper or rubbish. A foam extinguisher will also handle fires in flammable liquids—grease, oil, gasoline, kerosene and paint. A small extinguisher of the carbon-tetrachloride type (same as in your car) is advisable for fighting electrical fires, and is handy for fires in flammable liquids.

A faucet threaded to take the garden hose is also helpful in fighting fires. Such threaded faucets should be installed in the basement or laundry and outdoors on either side of the house.

A sprinkler installation might be made in the basement, where most fires start, with sprinkler heads over the furnace and the stairs leading up from basement.



PROVIDE electric equipment which eliminates the human element of negligence or error.

LOOK for the seal or label of Underwriters' Laboratories, Inc. whenever you buy.

EMPLOY a skilled electrician to install, repair or extend any wiring.



This full page advertisement will appear in 4 colors in Saturday Evening

Time—August Business Week U. S. News &

Nation's Business Better Home

Pathfinder—Successful F

Meet your HOMETOWN

IT PAYS TO BRING YOUR INSURANCE MAN INTO YOUR PLANS

Your home is the center of happiness and security for your family. For something so precious, you want the best protection possible. That's why it pays you to bring your Home Insurance man into your plans. He can help you every step of the way . . . can recommend construction features that will make your home a safer place in which to live. If you are planning to build or remodel, plan to have a talk with your Home Insurance agent because "built-in safety" can substantially reduce home accidents.



Ask your Home Agent for the 48-page booklet, "How to Build or Remodel for the Safety of Your Family." It shows how to have a safer, more livable home through good design related to common sense work and play habits. Safety can be made to pay its own way.

Your HOMETOWN Agent can serve you well—see him now!

☆

Ever since 1853 The Home Insurance Company has championed the placing of insurance through agents—what is known as the "American agency system."

This full page advertisement will appear in 4 colors in:

- Saturday Evening Post — August 8
- Time — August 17
- Business Week — July 25
- U. S. News & World Report — July 31
- Nation's Business — August
- Better Homes & Gardens — September
- Pathfinder — September
- Successful Farming — September



★ THE HOME ★ Insurance Company

Home Office: 59 Maiden Lane, N. Y. 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds



and brokers, is America's leading insurance protector of American homes and the homes of American industry.

This is
YOUR
Ad



Truck Cargo Thefts Higher, More Varied

The accompanying illustrations graphically illustrate the sharp rise in truck cargo thefts since 1944 and the character of merchandise that recently has proved to be the most attractive

clear evidence that thieves will steal anything and that no load is safe unless moving under tight cargo protection.

The bureau also warned that the individual package loss has become a source of major loss, accounting for probably more, in the aggregate, than the actual load-loss totals which are reported. The single package loss is not reported but probably represents another \$75 million to \$100 million of loss annually. Such losses appear to be rising even more rapidly than load losses, as the use of pick-up trucks grows. Valuable cargo moving long-haul by truck today has a triple hazard—the trailer journey and two pick-up jobs, one at either end.

Clothing leads in cargo theft losses for the past year, with tobacco prod-

ucts second and miscellaneous loads third. In New York, clothing and textiles lead, in Chicago, tobacco and food products lead, in Ohio liquor, in California, photographic equipment.

Savings of many millions in truck cargo thefts and hijackings, possibly as much as half a billion dollars worth in the years since the second world war, have been effected through the theft prevention programs of truckers, shippers and underwriters, according to the bureau. Actual truck cargo thefts in the period are estimated at about \$350,000,000, the bureau states. However, the goods that have gone under tight road and terminal protection represent the hottest targets, the ones most widely stolen in previous years. Had those activities gone unchecked, except for what the police and FBI might do in direct apprehen-

sion of the thieves, the stolen goods might have run much more than twice what they did.

Aug. 15 Is Date for Aetna Opening at Park Ridge, Ill.

Aetna is going to have its open house in its new western department office building at Park Ridge, Ill., Saturday afternoon, Aug. 15. Rush Carter, vice-president and western manager will be the host. Out from the head office will be President Clinton L. Allen, and Vice-presidents Harry Mountain, Henry P. Latham and George Quirk. Park Ridge Chamber of Commerce is giving a dinner for the Aetna officials Aug. 13 and on Aug. 15, prior to the open house Aetna will be host at a luncheon to Park Ridge civic and business leaders.

Hear Wichita Storm Reports

The Sunflower Blue Goose puddle at Wichita held a special luncheon meeting July 20, to hear reports of the Wichita wind and hail disaster from Pat Carden, assistant general adjuster, and head of the National Board disaster office; Walter W. Rowse, Western Adjustment manager, and C. C. Crow, Jr., Underwriters Adjusting manager. George Mitchell of Underwriters Salvage was also a guest. Among the guests from Topeka were O. D. Butcher, Hartford; Curtman Maupin, manager, and Edward F. McDermott, associate state agent, both of Home.

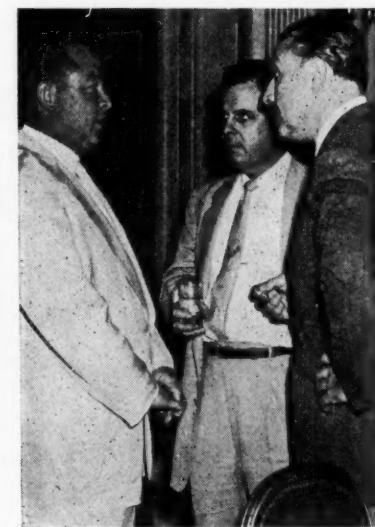
EDUCATORS MUTUAL DRIVE

WASHINGTON—Educators Mutual of Lancaster, Pa., through Washington representative Carl Hari, is making a special drive to sell Capitol Hill employees a hospitalization and surgical benefits plan. The sales representatives are strategically installed at the end of the subway from Capitol to Senate office building, where hundreds of legislative employees, tourists and others cannot fail to notice them.

Transatlantic Re in Ohio

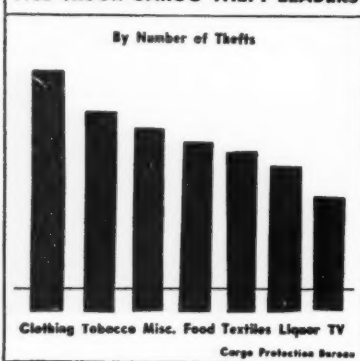
Transatlantic Reinsurance, which was formerly Excess Reinsurance, has been admitted to Ohio.

Louis W. De Krauze, former special agent out of Chicago and Grand Rapids offices for Hartford Accident, has joined the Larry Bell agency at St. Joseph, Mich.



Serious huddle at agent-company conference at Chicago—Fred V. Griffith, Jr. of W. B. Johnson & Co., Kansas City, with Howard N. Fullington of Wichita, and John T. Even, assistant western manager of Fireman's Fund.

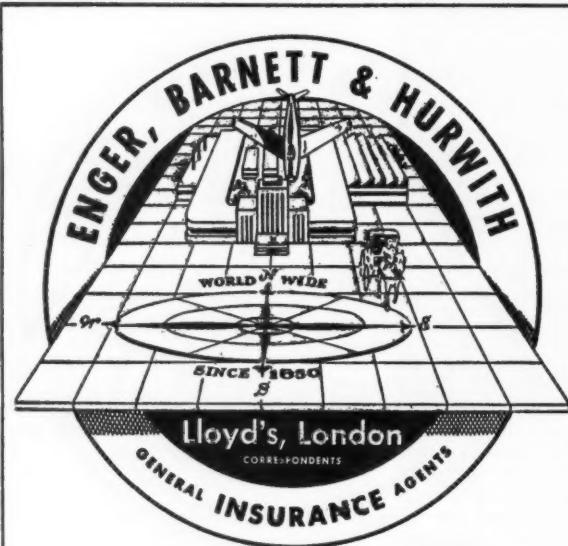
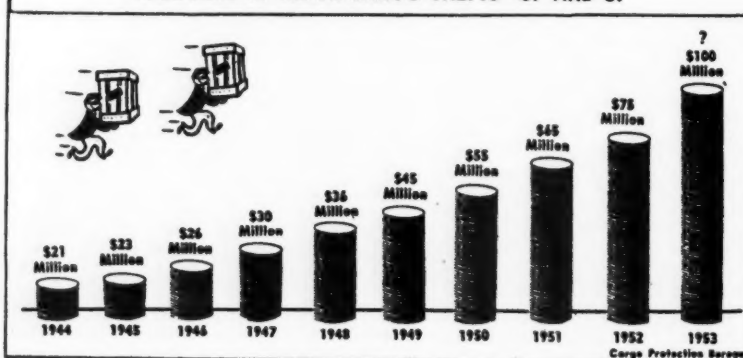
1953 TRUCK CARGO THEFT LEADERS



to thieves. Cargo Protection Bureau of New York estimates in its annual review of truck cargo thefts total 1952 losses at a record 12,000 for \$75 million, 240% above 1945. The potential for 1953 is \$100 million.

The kinds of goods under attack have widened materially to include cash registers, parakeets, food mixers, copper rods, phonograph records, electronic tubes and other items which would have been regarded as safe by shippers seven years ago, according to the bureau. Also, miscellaneous loads now stand third, nationally, in losses,

A DECADE OF TRUCK CARGO THEFTS—UP AND UP



533 S. Dearborn Street, Chicago 5, Illinois
Cable Enghur—Chicago

All Domestic Coverages Plus

- OPEN STOCK BURGLARY
- HIGH RATED AND/OR SURPLUS LINE FIRE
- OVER-AGE ACCIDENT
- LIVESTOCK MORTALITY
- PROFESSIONAL ERRORS AND OMISSIONS:
Auctioneers, Adjusters, Architects, Accountants, Attorneys, Surveyors, Engineers, Insurance—Real Estate Brokers/Agents
- EXCESS OF LOSS LINES
- HIGH LIMIT EXCESS
Public Liability, Property Damage
- EXECUTIVE OR KEY PERSONNEL
Travel Accident—Including War Risk

ALL UNUSUAL RISKS

OVER FIFTY YEARS OF SERVICE

NATIONAL UNION INSURANCE COMPANIES

NATIONAL UNION FIRE INSURANCE COMPANY
NATIONAL UNION INDEMNITY COMPANY
BIRMINGHAM FIRE INSURANCE COMPANY

good agency companies

139 UNIVERSITY PLACE

PITTSBURGH 13, PA.

Fine Arts Rates, Rules, Forms Are Substantially Revised by I.M.I.B.

Inland Marine Insurance Bureau has filed with insurance departments revisions in fine arts forms, rates and rules, to become effective Aug. 1. Outstanding policies attaching prior to Aug. 1 are construed to cover subject of broader conditions provided for in the new filing.

There are now provided in the new filing rates for protected territory loadings which are 4 cents for the first \$10,000, 2.7 cents for the next \$15,000, 1.3 cents for the next \$75,000, .5 cents for the next \$200,000, .3 cents for the next \$200,000, and .2 cents for the next \$300,000. For policies exceeding \$800,000 the charge is .1 cents for the entire amount of the policy.

Formerly the protected territory loadings were, for the above categories, 12, 8, 4, 1.5, 1, .5 and .1 cents. However there was an unprotected territorial loading which has now been deleted, which, for the categories above, went 18, 12, 6, 2.25, 1.5, and .75 cents.

There was also provided a floater for 10% of the amount of insurance at the one location. If insured wanted another \$500 protection, the cost was 50 cents in the city, 62.5 cents in the state and 75 cents for U.S. and Canada. Then there was a 100% floater at a flat rate of 1% for the city, 1.25% for the state and 1.5% for the U.S. and Canada. The present rule on floaters (city, state, U.S. and Canada) is deleted.

The breakage rates in the new filing are 15 cents for the first \$50,000 and 5 cents for insurance in excess of \$50,000, compared with 37.5 cents for the first \$5,000, 20 cents for the next \$20,000, 10 cents for the next \$50,000, and 5 cents for more than \$75,000.

Changes in rules effect the deletion of Nos. 12, 13, 14 and 18—those dealing with two or more locations, additional or changed locations, automatic transit cover, and additional floater amounts—and the present rule 23, entitled location and floater riders—when insuring fine arts only—is amended. The new 23 provides that the insurance covers the property insured while on exhibition or otherwise within the continental limits of U.S. and Canada, excluding fair grounds or national or international expositions unless endorsed, and the premium for the policy has been computed based upon the statement of insured that at the time of the attachment of the policy the property insured under it was located

as follows. It then provides the spaces for giving values at the different locations.

North America's fine arts rates are, for protected locations, 4 cents for the first \$25,000, 2 cents for the next \$75,000, 1 cent for the next \$150,000; and for three years, at 10 cents, 5 cents, and 2.5 cents; with special rating for amounts over \$250,000. The rates for unprotected locations are 6 cents for the first \$25,000, 3 cents for the next \$75,000, 1.5 cents for the next \$150,000; 15, 7.5 and 3.75 for three years with special rating for over \$250,000. The breakage rates are 20 cents for \$25,000 and 10 cents for more than \$25,000 the first year and 50 cents and 2.5 cents for three years.

North America has increased automatic floater coverage from 10% to 100% without charge, except on fair grounds or exhibitions or at unscheduled storage, repair, restoration or retouching locations.



Prominent figures at company-agent conference at Chicago: W. A. Seely, western manager of Crum & Forster; A. G. Harrison of Louisville, chairman of Mid-West Territorial Conference; Hendree Milward of Lexington, Ky.; Charles E. Dox, western manager of London & Lancashire; Frank Ludington, western manager of Atlas, and E. D. Lawson, vice-president of Fireman's Fund.

The Crime PACKAGE

3-D POLICY

Provides flexible, efficient, sound protection in one broad form that can be "tailored" to meet the most exacting requirements of any business.

The CENTRAL SURETY

"Crime Package" Policy Covers:

Dishonesty

- larceny, theft, embezzlement, forgery, or any other dishonest or fraudulent act of any employee.

Disappearance

- of money and securities inside or outside premises.
- of securities from a safe deposit box.

Destruction

- of money and securities.
- property damage caused by burglary or robbery.

This broad Comprehensive 3-D policy is needed by every business, large or small, for protection against disastrous losses.



It's Wise to Centralize

CENTRAL SURETY AND INSURANCE CORPORATION

R. E. McGinnis, President

HOME OFFICE—KANSAS CITY, MISSOURI



Raymond D. Warner of Fargo, N. D., with George A. Whitford, secretary of Fire Association at company-agent mid-west conference at Chicago.

Trawick Fla. Rating Deputy

Commissioner Larson of Florida has appointed William F. Trawick rating deputy in charge of workmen's compensation and assistant to Thomas T. Elmore, chief rating deputy.

Mr. Trawick is a veteran and went

with the department on graduation from University of Florida.

Engineers of National Board have started a survey of *Fond du Lac, Wis.*, the first in 20 years, preliminary to consideration of a rerating by the Wisconsin Fire Insurance Rating Bureau.

*S*erving the Public, Commerce and Industry
through the **LOCAI INSURANCE AGENT . . .**

BURGLARY

AUTOMOBILE

GENERAL LIABILITY

COMPREHENSIVE LIABILITY

WORKMEN'S COMPENSATION



Western Division and Home Office: 1671 Wilshire Blvd., Los Angeles, California

Mid-West Division: 108 E. Washington Street, Indianapolis, Indiana

Southern Division: Mercantile Commerce Building, Dallas, Texas

REINSURANCE Agency Inc.

309 W. Jackson Blvd.

CHICAGO 6, ILLINOIS

Andrew J. Helmick, Pres.
Tel. WAbash 2-7515

Supervising Agents

PEERLESS CASUALTY COMPANY

NEW HAMPSHIRE

REINSURANCE AND EXCESS COVERS

Treaty — Facultative — Fire — Casualty

Quota Share — Surplus — Excess

DOMESTIC AND FOREIGN



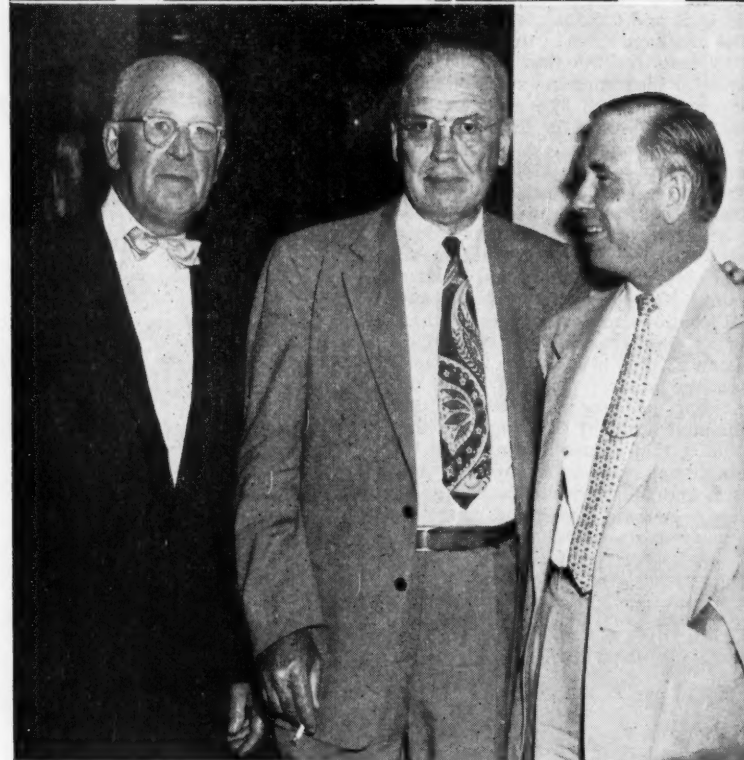
APPRAISERS

FOR CORRECT COVERAGE AND
PROOF OF LOSS ON ALL TYPES
OF BUILDINGS AND EQUIPMENT

WRITE HOME OFFICE

COATS & BURCHARD CO.

CHICAGO 40, ILLINOIS • THE PIONEER ORGANIZATION



Personalities at agent-company conference at Chicago: Above—John McFarland, western manager of American; J. J. Quinn, Bartlesville, Okla., and Philip S. Beebe, western manager of Hartford Fire.

Center: Harvey Snediker, Western Actuarial Bureau; Odin Prowell of St. Louis and E. H. Forkel, vice-president of National Fire.

Below: C. W. Ohlsen, western manager of Sun; George Thompson of Minneapolis and G. E. Ahern, Sioux Falls.

Form Bristol County Assn.

Bristol County (R. I.) Assn. of Insurance Agents has been organized. Bertram W. Wall, Bristol, is president; William M. Richardson, vice-president; William J. Maisano, secretary, and Albert A. Edmonds, treasurer.

Howard Chase, state association president, installed the new officers.

Must Submit Hospital Revisions

COLUMBUS, O.—The governor has

signed a bill requiring hospital associations to submit revisions of their rates or contracts to the insurance department for approval.

Direct Fire Prevention Plans

W. S. Keese, Jr., of Trotter, Keese & Boyd will direct plans for Fire Prevention Week at Chattanooga. Joe H. Bandy, Stokes-Bandy, has been named on a similar committee at Nashville.

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Luminaries at agent-company conference at Chicago: Arthur M. O'Connell of Cincinnati; Dorr Hudson of Iowa City and H. T. Moran, Oklahoma City; R. M. Byrne of Omaha; Paul Barr, vice-president of Hanover, and George A. Timm of Kenosha, secretary of the agents conference committee.

Convention Dates

Aug. 9-12, West Virginia Agents, annual, Greenbrier, White Sulphur Springs, W. Va.
 Aug. 19-22, Federation of Insurance Counsel, Bedford Springs hotel, Bedford, Pa.
 Aug. 23-25, Wyoming Agents, annual, Cheyenne.
 Aug. 23-25, Kentucky Mutual Agents, Lexington.
 Aug. 24-26, International Federation of Commercial Travelers Insurance Organizations, annual, Jasper Park Lodge, Jasper National Park, Alberta, Can.
 August 24-26, American Bar Assn., Insurance section, annual, Sheraton-Plaza hotel, Boston.
 Aug. 24-27, Blue Goose Grand Nest, Royal Alexandra hotel, Winnipeg, Manitoba, Can.
 Aug. 30-31, Oregon Agents, annual, Multnomah, hotel, Portland.
 Sept. 2-4, Washington Agents, annual, Olympic hotel, Seattle.
 Sept. 9-11, Maine Agents, annual, Samoset hotel, Rockland.
 Sept. 11-12, New Mexico Agents, annual, La Fonda hotel, Santa Fe.
 Sept. 13-15, Insurance Advertising Conference, annual, Sky Top, Pa.
 Sept. 13-15, Pennsylvania Assn. of Insurance Agents annual, Bedford Springs, Pa.
 Sept. 13-16, Michigan Agents, annual, Grand hotel, Mackinac Island.
 Sept. 14, Vermont Agents, annual, Lake Morley Inn, Fairlee.
 Sept. 14-15, Texas Assn. of Mutual Fire & Storm Insurance Companies, annual, Driskill hotel, Austin.
 Sept. 14-15, Utah Agents, annual, Newhouse hotel, Salt Lake City.
 Sept. 14-16, International Claim Assn., annual, Sagamore, Bolton Landing, Lake George, N. Y.
 Sept. 14-16, Montana Agents, annual, Butte.
 Sept. 14-18, National Society of C.P.C.U., Bellevue-Stratford hotel, Philadelphia.
 Sept. 15-18, Society of C.P.C.U., annual meeting and seminar, Bellevue-Stratford hotel, Philadelphia.
 Sept. 16-18, Ill. Assn. of Mutual Insurance Companies, annual, Pere Marquette hotel, Peoria.
 Sept. 17-18, Minnesota Agents, annual, Radisson hotel, Minneapolis.
 Sept. 18-25, Nevada Agents, annual, Las Vegas.
 Sept. 20-21, Insurance Federation of North Dakota, Fargo.
 Sept. 20-23, Idaho Agents, annual, Sun Valley Lodge, Sun Valley.
 Sept. 21-23, American Mutual Alliance, Insurance forum, Hotel Somerset, Boston.
 Sept. 22-23, New Hampshire Agents, annual, Wentworth hotel, Portsmouth.
 Sept. 23-25, New Jersey Agents, annual, Haddon Hall, Atlantic City.
 Sept. 24, Washington Agents, annual, Olympic hotel, Seattle.
 Sept. 28-Oct. 1, National Assn. of Insurance Agents, annual, Washington, D. C.
 Oct. 3-7, National Assn. of Casualty & Surety Executives, annual, The Greenbrier, White Sulphur Springs, W. Va.
 Oct. 5-8, Bureau of A. & H. Underwriters, annual, Seignior Club, Montebello, Can.
 Oct. 5-9, International Assn. of Industrial Accident Boards and Commissions, annual, Hotel Del Coronado, Coronado, Cal.
 Oct. 8-10, Colorado Insurers Assn., annual, Broadmoor hotel, Colorado Springs.
 Oct. 11-14, Federation of Mutual Fire Companies, annual, San Francisco.
 Oct. 11-15, Natl. Assn. of Mutual Insurance Companies, annual, San Francisco.
 Oct. 12-14, Ohio Agents, annual, Toledo, Secor hotel.
 Oct. 12-14, National Assn. of Mutual Insurance Agents, annual, La Salle hotel, Chicago.
 Oct. 14, Connecticut Agents, annual, Hotel Bond, Hartford.
 Oct. 18-20, Kansas Agents, annual, Broadview

hotel, Wichita.

Oct. 19-21, Wisconsin Agents, annual, Schroeder hotel, Milwaukee.

Oct. 19-21, S.E.U.A., semi-annual, Pinehurst, N. C.

Oct. 19-21, Western Underwriters Assn., White Sulphur Springs, W. Va.

Oct. 19-23, National Safety Congress and Exposition, National Safety Council, annual, Chicago.

Oct. 20-21, Massachusetts Agents, annual,

Sheraton Plaza hotel, Boston.

Oct. 22-23, Tennessee Agents, annual, Patten hotel, Chattanooga.

Oct. 25-27, Arizona Agents, annual, Westward-Ho hotel, Phoenix.

Oct. 26-27, Missouri Agents, annual, Hotel President, Kansas City.

Nov. 16-17, Illinois Agents, annual, Pere Marquette hotel, Peoria.

Nov. 16-18, Indiana Agents, annual, Claypool hotel, Indianapolis.

Keniston Zone Manager

Walter W. Keniston has been named zone manager for central and eastern Indiana, with headquarters in Indianapolis, by All-American Casualty.

Organize at Fairbanks

Fairbanks (Alaska) Insurance Agents Assn. has been organized with Kenneth A. Murray as president; George Sturgis, vice-president, and Marion L. Wood, secretary.

The association grew out of several meetings of agents in an attempt to regulate the writing of unprotected dwelling classifications in the Fairbanks area in order to improve the loss ratio.

Peterson Succeeds Lowe

Merrill Peterson has been appointed manager of the workmen's compensation department of the St. Paul-Mercury Indemnity to succeed Victor Lowe, who recently was appointed manager of Minnesota workmen's compensation rating bureau.

Preston Bacon of the Northcott-Bacon agency, Newton, Kan., has been named chairman of the Harvey county Red Cross chapter.

COME ON IN--

The Selling's Fine!



With the revised line of policies, Provident is making a bigger splash than ever in the Non-Can A & H market. These policies—non-cancellable and guaranteed renewable—feature higher age limits, shorter waiting periods on the long term line, faster service through simplified underwriting, and new and improved sales aids.

In the Provident Non-Can line, the best is now better. If you would like to get in the swim in a quality market, we'll be glad to send you full information.

Brokerage Business Invited



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

Chattanooga—Since 1887

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

Hardware Mutuals Plan New Stevens Point Structures

Hardware Mutuals are going to put up a building in the head office city of Stevens Point, Wis., to house the Wisconsin district office, and another building which will be a combination apartment and dormitory. The cost of the two will be about \$900,000.

The district building will be located two miles from the head office and in it there will be about 200 employees. Occupancy is scheduled for the fall of 1954. Thereafter the home office building will be concerned entirely with home office or national operations. The district and branch work will then

be completely decentralized. The apartment and dormitory building will be a block and a half from the head office and will house employees who are in the city for prolonged training periods and those who will go there for conferences and special assignments. There will be two six-room furnished apartments on the first floor and the second will provide eight single and five double bedrooms, and a lounge room.

Kankakee (Ill.) County Assn. of Insurance Agents has slated its annual field day for Sept. 9 at Kankakee Valley Golf Club.

Bruce Dodson to Move

Bruce Dodson plans to move his administrative headquarters in Kansas City to a new location on the Country Club Plaza at Kansas City. A contract for the purchase of a block frontage on 47th street between Summit and Madison has been signed. The area there is becoming an insurance center, with Postal Life planning to erect a 3-story building only a block away. The building at 28th and Wyandotte will still be used by the Dodson group.

Premium Tax Refund Ordered

DES MOINES—District Judge Needham has ordered the state to refund \$2,722 in premium taxes erroneously

paid by Iowa Mutual Tornado.

In its suit for the refund, the company said the payment was made as a result of erroneous interpretation of the statutes governing the 2% premium tax.

Claim Institute at K.C.U.

The law research and extension center of University of Kansas City announces an institute on the investigation and settlement of casualty claims Sept. 17-19. Topics to be included are head, back, and chest injuries; placing a dollar value on injuries; automobile policies, investigating accidents, evaluating damage, and making settlements.

DIRECTORY OF RESPONSIBLE

INDEPENDENT ADJUSTERS

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CASUALTY, ALL LINES AUTOMOBILE
BEN I. HAYMAN
INSURANCE ADJUSTER
1150 WILSHIRE BOULEVARD
LOS ANGELES 17, CALIFORNIA
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30 YEARS OF SATISFYING SERVICE

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KEMPNER CLAIMS SERVICE
— ROCKY MOUNTAIN STATES —
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1068 Gas & Electric Bldg., Denver, Colorado
Telephone Tabor 5736

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DICKSON Adjusting Company, Inc.
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NEW ADDRESS
1001 Conn. Ave., N.W. (6) Republic 7-3201
Annapolis, Md. Branch—42 State Circle, Phone 2649

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RAYMOND N. POSTON, INC.
Adjusters all lines
150 S. W. 8th Street
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16 North "L" Lake Worth
KEY WEST
Refer to Miami Office

LEHNHARD-BURGESS CORPORATION

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Adjusters for all lines
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JACKSONVILLE 2, FLORIDA
Office Phone Night Phones
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ALL LINES COMPANIES ONLY

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Night Phone SHeildrake 3-5319
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Chicago 4, Illinois
ADJUSTERS - AUTOMOBILE
INLAND MARINE - CASUALTY
Aurora, Ill.—Merchants Natl.
Bank Bldg. Aurora 6-1117
Waukegan, Ill.—222 No. Genesee
Bldg., Majestic 3-0936
Serving Northern Illinois and
Indiana—Southern Wisconsin—
Southwestern Michigan

ILLINOIS (Cont.)

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**TOPLIS & HARDING
WAGNER & GLIDDEN, INC.**
Insurance Adjustments
All Lines
Chicago Boston New York
Los Angeles Detroit

INDIANA

DUNCAN & SWAIN
Third and Main Bldg., Evansville 8, Indiana
General Insurance Adjusters
Operating in
Southern Indiana
Southern Illinois
Western Kentucky
Northwestern Tennessee
Southeastern Missouri
Branch office: 623 1/2 Broadway, Paducah, Ky.

INSURANCE CLAIM SERVICE
Chanticleer Building, 24 North 8th Street
Terre Haute, Indiana
Phone: Crawford 8288
22 years experience, operating in eastern
Illinois and western Indiana
Legal personnel, all types of claims and losses

IOWA

MIDWEST MOTOR AGENCY

Automobile physical damage
and P.D. claims
Handled by experts in material
damage claims. Our adjusters formerly
associated with National Finance
Company Insurance affiliates.
Serving the Tri-State Area
Southern Wisconsin
Western Illinois—Iowa
James R. "Jim" Green, Manager
1157 Central Avenue
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1101 N. Calvert St. Plaza 2-7729
Baltimore 2, Md.

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Robert M. Hill, Pres. E. B. Bystrom, Vice-Pres.
The Robert M. Hill Co., Inc.
INSURANCE ADJUSTERS
1356 Penobscot Bldg., Detroit 26, Michigan
Woodward 5-0050

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Surety Held Unliable for Unpaid Taxes

Surety men are much interested in the decision handed down by the federal appeals court of western Texas in the case of General Casualty vs. the U. S. government, in which the question was decided as to whether the payment bond is liable for federal taxes owed by a contractor. The appeals court held for General Casualty, reversing the lower court's verdict.

There was \$3,129 in social security and income taxes of employees involved, plus accrued interest. The contractor, B. J. Smith, made the deductions from his payroll for the last two quarters of 1948. However, the taxes were not paid to the government, and the commissioner of internal revenue made jeopardy assessments for the taxes.

Smith had a contract for the city of Seguin, Texas, to build a brick fire station. He was unable to continue the construction because of insufficient funds, and General of Seattle entered into an agreement with Smith whereby the latter resumed supervision of the construction work and the surety put up funds to finish the job. The surety collected the balance of the contract price including the retained percentage. It paid all of the taxes from salaries and wages from Smith's default.

The court held that prior to the default the surety had no control of the payment of wages and could not be classed as an employer. It exercised its contract rights to the balance of the contract price including the retained

percentage, but it did not make itself liable for any default of the principal for which it was not already responsible.

The liability of the surety for these taxes rests fully on the bond executed by the surety, the court held. It further opined that the Texas legislature intended to protect the state, its counties, subdivisions and municipalities, and employees and material men who needed such protection and not the U. S. government, which had ample powers to protect itself.

Attention is also called to the case of Central Bank vs. the U. S. government decided not long ago by the U. S. Supreme Court, in which a similar question was involved. Here the Supreme Court reversed the court of claims.

The high court squarely held that the contractor's liability to the U. S. government for withheld income and social security taxes on wages does not arise from the contract but from the federal tax laws. Hence, the tax liability arose in this case independent of such a contract and the government could not properly offset against the assignee bank.

St. Paul Says 90 Blue Chip Insured Switched to MOP

St. Paul F. & M. in its June house organ has an article on the manufacturers output policy in which the statement is made that about 90 of the "blue chip" industrial firms have changed over to the manufacturers output policy. There are 16 states and the District of Columbia that have not approved the policy, but in the other 32 states, according to St. Paul, there are lots of prospects.

St. Paul said it prefers hard goods manufacturers but is willing to give consideration to any A-1 firm where there would be a good spread of risk. The output policy provides in one simple contract, all risks insurance on all personal property of the firm wherever it may be during transit or otherwise in the U. S. or Alaska, except while on the firm's manufacturing premises. It is on a blanket basis, is continuous, is experience rated as to the small normal losses, and is on a pay-as-you-go monthly premium basis. The matter of reporting values has been made as painless as possible in that the insurer requires that insured give only the total of the values at risk. Only once a year, at a convenient date, is he required to report the values by location.

D. H. Reynolds to Ore.

Donald H. Reynolds has been transferred by Great American from Colorado to Portland, Ore., as state agent. In the latter position he succeeds Jay C. Wickler, who has been made agency superintendent at San Francisco.

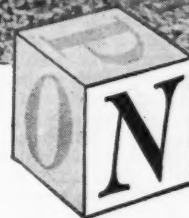
Opens Wilmington Office

Robert J. Markley has been promoted to district claims manager for Harleysville Mutual Casualty and will manage its newly opened Wilmington, Del., claims office. He is a veteran, and with the company since 1947.

Can't Use Auto Fees for Premiums

Counties may not use gasoline tax and automobile license revenues to purchase insurance on their motor vehicles or their employees, Attorney General O'Neill has advised the prosecuting attorney of Pike county, Ohio.

If the county commissioners wish to insure their motor equipment, against fire or theft or their employees against liability, they must look to some other source of revenue to pay the premiums.



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Enact New or Stronger FR Laws in Nine States

(CONTINUED FROM PAGE 8)

insurance and a requirement that insurance companies establish a plan for compensating innocent victims of hit-and-run accidents, stolen car operators and uninsured out-of-state drivers. Unsuccessfully proposed by Assn. of the Bar of the City of New York was enactment of new legislation to provide that every automobile involved in an accident causing bodily injury or property damage be impounded if the owner does not possess standard-limits liability insurance or deposit equivalent security.

North Carolina: Enacted a new law strengthening the financial responsibility act. The new bill provides for suspension of driving privileges of motorists involved in accidents who are unable through insurance or otherwise to demonstrate their ability to meet claims up to \$5,000 for injury to one person, \$10,000 for injuries to more than one person, and \$1,000 property damage. It allows a person to appeal to the courts on whether he was at fault in an accident. While his appeal is in the courts, his driving license could not be suspended. North Carolina law heretofore called for suspension of driving privileges only if a judgment had been obtained against the motorist and he failed to satisfy the judgment.

North Dakota: Legislature rejected a bill proposing repeal of the unsatisfied judgment fund act, under which amounts up to \$10,000 may be collected for personal injuries or deaths resulting from traffic accidents in which the person at fault is uninsured and has no funds to pay damage awards. Started in 1948, the North Dakota fund is maintained by levying \$1 extra for motor vehicle registration fees. The first such levy was made in 1948 and a similar fee was charged on 1953 registrations because the fund had dropped below \$100,000.

Ohio: Rejected a bill proposing the creation of a special unsatisfied judgment fund, patterned after the New Jersey law.

The proposed Ohio fund would have been supported by levying a charge of \$3 against all uninsured drivers and \$1 against insured drivers.

In addition, each insured driver would have been assessed an amount equal to 1/2% of his annual premiums and provision would have been made for additional assessments if more money was needed to carry out the program.

Ohio lawmakers appropriated \$280,-

000 to start operation of a previously enacted new financial responsibility law.

Oregon: Enacted a law increasing insurance minimums under the state financial responsibility law from \$5,000/\$10,000 to \$10,000/\$20,000. Rejected a bill for imposition of an additional 50-cent fee for driver's licenses to support a fund to pay hospital and doctor bills of persons injured by financially-irresponsible motorists.

Pennsylvania: Compulsory insurance and unsatisfied judgment fund bills defeated.

South Carolina: Legislature killed bills to repeal financial responsibility law and provide for compulsory insurance.

South Dakota: Enacted new financial responsibility law requiring accident-involved drivers to prove ability to pay damages up to \$2,000 for P.D. and \$5,000/\$10,000 B.I. The measure was a companion bill to a new driver's license law, which removed South Dakota's dubious distinction of being the only state in the nation without such a law.

Tennessee: Rejected a compulsory insurance proposal.

Texas: Rejected a bill proposing repeal of the financial responsibility law, the constitutionality of which was recently upheld by the state supreme court.

Vermont: Enacted a new financial responsibility law requiring that any operator of a motor vehicle involved in an accident causing bodily injury or property damage of \$25 or more must carry a liability insurance policy of \$10,000/\$20,000 before license renewal. Rejected compulsory insurance and unsatisfied judgment fund bills.

Virginia: A state advisory legislative council committee early this year began a study of the financial responsibility law. The committee announced it would study the possibility of legislation for the impoundment of accident-involved vehicles of financially-irresponsible owners.

Washington: Legislature rejected a compulsory insurance proposal.

Wisconsin: Enacted a bill increasing minimum insurance needed to satisfy requirements of the state motorists' financial responsibility act, the constitutionality of which was upheld early this year by the state supreme court. Under the new law, accident-involved drivers will be required to have \$10,000/\$20,000 B.I. cover and \$5,000 P. D. The requirements had been \$5,000/\$10,000 and \$1,000. An impoundment bill was rejected.

Handle Subrogation Matters in Orderly Fashion

(CONTINUED FROM PAGE 13)

the possibilities of subrogation are discovered. It is fairly easy to see what really happened when insured reports that "the side of the freight train came up and hit the front of my car," but not all reports are so easy to analyze. The report may be quite honest, but it does not always mean what it says.

Fundamentally, when insured reports on a loss, he wants to be right and submit a nice report. Many persons feel they cannot collect unless the information they report puts them in the right and the other fellow in the wrong. It is human nature to do this and there is of course the feeling that insured must impress insurer. Some feel if a report shows them to be at fault that is a blot on their insurance record. In the field of property damage liability, of course, this is not necessarily untrue.

Whatever the reasons, subrogation men run into some interesting explanations of what happened. There was the story of the collision loss involving a streetcar. Insured's report said there was a switch at that point and the streetcar backed into him via the switch. Everything went well until, in litigation, insurer's representatives learned there was no streetcar switch, that the automobile had run into the streetcar.

A few collisions turn out to be not collisions, for example the damage done to a car in a midwest city by an irate husband who took after insured with a hammer after he had found him in the house with his wife. He ended up beating the car into a total wreck when he couldn't catch the owner, who had disappeared down the street without his automobile. That was a subrogation situation which could not be pursued from a practical standpoint.

The volume of recoveries somewhat depends on the volume of business and the dollar amount losses. For example, 10 years ago the average loss in the automobile physical damage field might have been \$50 and is probably twice or three times that today. Recoveries should increase proportionately in dollar amount.

But subrogation does not result merely in adjusting accounts between

physical damage and property damage insurers. There are recoveries against the uninsured, which bring "new money" into the insurance picture. An example of this is found when modern type automobile financial responsibility laws go into effect. When there is an accident, uninsured motorist cannot continue to operate unless he gets the record clear by paying the subrogation claim when he is liable, in order to secure a release.

Prior to last Jan. 1 when the new FR law became effective in New Jersey, uninsured defendant was okay until insurer, subrogating, got a judgment against him. Then insurer had to certify the judgment to the motor vehicle bureau as unsatisfied, and the bureau picked up his license plates.

Under the new, strict law, the minute the motorist reports a collision, the MV bureau acts. Motorist must file a certificate of insurance, a bond, or a cash deposit to cover damages as assessed by the MV bureau, or must produce a release. Consequently it is not long before uninsured, looking for a release, calls the subrogating insurer. Thus, where the subrogating insurer used to have a lot of trouble, it has considerably less collecting these subrogation claims today.

Many companies depend on the loss man to handle subrogation. He may or may not do a good job with it; it is not his chief responsibility. Or he may not always observe the PR amenities. Subrogation in some companies operates under the loss division while in others under the legal or accounting division. Some insurers have one department with a good subrogation set-up, in marine, say, and drift in others.

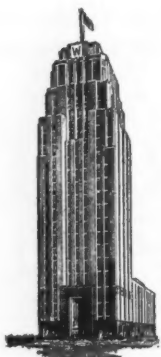
In addition to not getting money entitled to it, the insurer also runs the danger of handling subrogation situations in an ineffective public relations way when it does not operate with a special staff for that purpose. There is always the possibility of a PR situation. Subrogation is a highly specialized field which should be controlled and its activities exercised with judgment. If accomplished properly it is a valuable operation to the company and may become more so as competition increases and premiums level off.

First Effort to Enforce Ohio F. R. Law Frustrated

COLUMBUS—The first effort of the Ohio bureau of motor vehicles to make an arrest under the state's new financial responsibility law ended in failure because the city solicitor of Portsmouth refused to issue an affidavit against the man accused by the state authorities. The bureau asked the Portsmouth solicitor to issue an affidavit for Walter Frigate, formerly of Chardon, who now lives at Portsmouth.

It was stated that Frigate failed to file a written report of an accident in which he was involved March 17 in Cuyahoga county. The new law calls for such a report in 5 days. The Portsmouth solicitor said the affidavit should be sought in the county in which the accident occurred. The bureau says it is not seeking an affidavit on the accident but on the failure to make a report, and that it can be issued in the home county of the accused. The motor bureau dropped the case, but lifted Frigate's driver's license.

A few days ago a member of the Ohio legislature was halted by highway police while driving 75 miles an hour. He showed the arresting officer the law which says a member of the legislature cannot be arrested while going to or from sessions of the legislature. It is contended by many that this does not apply to criminal cases but only to civil actions.



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Arkansas Commissioner Rescinds Approval of Windstorm Deductible Filing

LITTLE ROCK—Arkansas' optional \$50 wind deductible, which was approved June 29 by the department, was rescinded by order of Commissioner Combs, effective July 16. The department after further study concluded that the deductible forms and rates that had been approved were, in some instances, excessive and discriminatory. Mr. Combs said Arkansas Inspection & Rating Bureau had been given the opportunity to withdraw the filing voluntarily. When it failed to do so, the commissioner issued his order.

Mr. Combs, who has insisted that any deductible plan be optional, stated that rates filed were virtually prohibitive for waiving the deductible. The bureau, Mr. Combs said, has indicated that there would be no contest over the order. He suggested that any new application for windstorm changes should incorporate a proposal to reduce fire rates. The latest underwriting profit report, he said, indicates an excess underwriting profit of slightly over 10% based on the 1948-52 experience.

Also rescinded was approval of the radio and television aerials exclusion clause, which was made applicable to all policies whether covering on building or contents or both. The windstorm deductible applied to building items only.

Policies are now again to be issued under rates and rules in effect prior to June 29, as if no deductible had ever been filed, and agents may en-

dorse recently written policies to eliminate the deductible and TV antenna exclusion clause.

The bureau on June 1 filed a mandatory deductible plan with the department but withdrew it June 18 when Commissioner Combs indicated he would not approve a mandatory plan.

The bureau then filed its optional deductible June 21. To waive the deductible a flat \$10 per building fee plus an increase in EC rates was to be charged.

July 7 the executive committee of Arkansas Assn. of Insurance Agents adopted a resolution condemning the filing as excessive and discriminatory, calling for a public hearing, and asking that the filing be suspended in the meantime.

Mr. Combs said he felt some relief was necessary to the companies because of the severe wind record of recent years, but that the plan as filed had a number of inequitable features about it and that rates for non-deductible coverage were such as to make the plan practically mandatory rather than optional.

Figures submitted by the bureau for the 10-year period 1942-1952 showed EC premiums of \$24,266,337 and incurred losses of \$16,066,151, producing a ratio of 66.62. To this the bureau added 7.5% for loss adjustment expense, making the 10-year loss cost 74.02%. The bureau's exhibit claimed a 25% rate increase was thus justified.

Concordia College Loses Round in Windstorm Issue

The Minnesota federal court has granted the motion of Great American to have an architect and a subcontractor brought in as third party defendants in an action against Great American under a windstorm policy by Concordia college. The case is Concordia college vs. Great American 8, CCH (Fire & Casualty) 43. Concordia is claiming \$100,000 for alleged windstorm loss to a gymnasium building that was under construction.

Great American claims that the building collapsed and fell by reason of negligence and breach of warranty of Wm. M. Ingemann, the architect, and Holman Erection Co. that assembled and constructed the steel framework.

The college objected to this third party procedure on the ground it is not necessary to determination of the action and is premature. However, the court found that Great American was within its rights in asking for such impleader. The college asserted that joining of the third party defendants would inject new issues into the case which may not be material to the college's claim under the policy and this will be confusing to the jury and will tend to prejudice the college in the presentation of its case. The court said, however, that the possible prejudice to the college in this case does not appear to outweigh the possible benefits to be derived from the use of third party procedure.

The college argued that Great American has no right of subrogation under the policy for either negligence or breach of warranty on the contention that Great American insured the structure as designed and planned and with full knowledge or opportunity to learn of the details of the plan and specifications and of the method to be used in erecting the structure. On this the court said if such contention is advanced in the pleadings and sustained by the evidence, it may well be that no right of subrogation will be found

to exist. However, this matter of substantive law is not properly for decision on consideration of the present motion.

J. M. Westerfield Goes to Toledo Post for Aetna

Jack M. Westerfield has been transferred from Wausau, Wis., as state agent to Toledo for Aetna. In his new field he succeeds F. R. Terwilliger who was transferred to Milwaukee. Mr. Westerfield served in the air force during the last war and then became an air craft loss adjuster. Before going with Aetna at Wausau he was in the local agency business in Indiana.

Modify Blue Cross "Ads"

Massachusetts Blue Cross has agreed to modify its radio advertising which was regarded by some agents as minimizing the need for fire and automobile insurance, following a protest to the Massachusetts department by F. H. Woodward, president of Massachusetts Assn. of Insurance Agents.

The agents objected to the part of the advertising which compares the frequency of fire, liability claims and disability on the ground that it was misleading and might cause listeners to reduce fire and automobile coverage.

Mass Bonding Hits Jackpot

Massachusetts Bonding reports that it has a 30% share of the contract bond on the Dalles Powerhouse, costing \$29,820,997, as surety for F. & S. Construction Co., S. Birch & Sons and McLaughlin Construction company, all of Montana. Also it says it is surety for Plombo Construction Co. of San Francisco, covering its contract for extension of the Freeway in San Mateo county at a cost of \$3,749,132, and surety for Louis C. Dunn, Inc. to Douglas Aircraft, covering the construction of shop building in the amount of \$1,879,000. Also surety for Carson Construc-

tion Co. of Helena, Mont., covering its contract for a new high school at Ket-chikan, Alaska, in the amount of \$2,482,000.

It is surety on the bid bond for Southwest Welding & Manufacturing Co. of Alhambra, Cal., to the U.S.A. for furnishing, erecting, and installing penstocks for the Garrison Dam on the Missouri river at a cost of \$6,962,462.

Embezzlement Charge Dropped

The embezzlement charge against state representative Harold W. Tshudy, brought by Robert H. Wallace, Republican leader in the Arizona house, has been dismissed in superior court.

Wallace who is president of National Life & Casualty of Phoenix, brought the charge after a bitter political battle with Tshudy in the house over the proposal of investigating domestic insurance companies. Wallace charged Tshudy with withholding \$174 from a premium, but County Attorney Mahoney said that investigation indicates evidence does not warrant prosecution in that it tends to show only a debtor-creditor relationship.

One of the unfortunate outcomes of the battle over the investigation was that action on the proposed Arizona insurance code was put off for one year.



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EDITORIAL COMMENT

Preserving Cryptic Traditions

Federal Judge D. J. Byers in the eastern New York district prefaced an opinion in an insurance case in this way:

"This is an action upon a so-called jewelers block policy, but what the adjective means has not been explained. Its office may be merely to preserve the cryptic traditions of the calling pursued by underwriters."

It is well from time to time to see ourselves as others see us. We go along using such a term as "block" without ever stopping to think what in the world meaning this conveys to a person that is not in the insurance business and without ourselves even having any good idea of the origin of the term.

This particular word "block" is not a definitive or suggestive one, yet it has gone into the lexicon of the insurance business to be used uncritically

by generation after generation. The commonly accepted theory of its origin is that it was an Anglicization of the French "en bloc" meaning altogether, and intending to mean a full coverage policy, or all coverage in one. Be that as it may, the term "block" is about as far removed from "en bloc" as "Bob Blow" is from "Dois Blanc" or "Skil-ligalee" is from "Isle au Galets" which are Anglicizations that are in common use in northern Michigan.

The nomenclature of insurance could very well be overhauled and sharpened to improve public relations with the bench and to convey more definite and persuasive meanings to prospects for insurance. Judge Byers in this case did not allow his impatience with the sign language of underwriters to get the better of his sense of justice. He gave a decision for the insurance company.

N. Y. Department's Closed Hearing

The New York Times mildly criticized the New York insurance department for holding a closed hearing (not an open one), July 16, in its investigation of payments made in connection with the administration of group A.&H. and life policies issued to trustees. These are the union-management types of arrangements, for the most part, and some of the fees paid in connection with the business are being questioned as to size and propriety.

We, too, were disappointed that the hearing was closed. However, within limits, we feel impelled to call attention to some things that can be said for the department's point of view and action.

The Times in its news story the day following the hearing points out that Deputy Superintendent A. G. Straub, Jr., barred reporters from the session and declined to supply any information on what had taken place. He said he felt it would limit freedom of discussion if the companies were asked to state their views in the presence of the press.

Editorializing in the news story in a mild way, the Times writes: "Asked whether he did not believe the public had a stake in the correction of any abuses that might have arisen in the conduct of union welfare funds, Mr. Straub replied that the department represented 'the public interest' in the situation and would be the judge of what information was given out."

The department's position in the matter is that if it opened the hearing

to the press (and others), undoubtedly the very ones from whom it wanted to hear most would not show up, or if they did, they would be very reluctant to speak, and if they spoke they would speak to the extent they felt they had to.

They wouldn't exactly invoke the constitution to avoid incrimination, ala a Joe McCarthy session. But companies do have legal rights under state laws, and if they are going to be questioned closely about practices the department indicated it did not think proper in front of reporters (and others, including competitors who might take advantage of information so adduced if they could), then they would say nothing or only about what the law required.

The department represents both the business and the public. This might be argued, but in a practical sense, it is true. The department has to get along with the business. If it consistently maintained a hypercritical attitude, the business would have to maintain a hyperlegal attitude toward it and any of its suggestions.

This does not mean the department has to pussyfoot, kowtow, or give away the public shirt in order to appease the insurance business. We don't know of any insurance department that does this, and certainly the New York department doesn't. We don't know of any segment of the business that requires it. When the New York department sees an abuse, or what it regards as an abuse, even when it is not alto-

gether certain that the abuse is in any respect violating a law or rule, it goes after the matter, discusses it with those in the business who are following such practices and those in the business who are the leaders in the field where the practices are being followed, and tries to correct the situation. In 99 cases out of a hundred it does correct the situation. In the 100th case it goes to court or takes what other legal action is necessary.

But if it were to invoke its full legal power and set in motion its full legal machinery available to it, or attempt to do so, every time there was a disagreement between what it thought the business ought to do and what the business was doing, it would accomplish a lot less than it does by informal discussions, off the record negotiations, and even closed hearings. Much of the business the department transacts with the business lies outside the precise legal limits of a hearing or court action—and should.

A legal, heavy-weight testing of even the majority of even the most important matters that arise in the department's supervision of the business would require a vastly larger staff (including a great many more lawyers), a far bigger budget, an enormously greater time in court, etc.

The New York department has been accused of supervising the business so closely and extensively that it gets into the field of management and management decision, and there are times when this criticism seems to be at least in part justified. But on the whole it exercises its large supervisory powers fairly, the relation of the department to the business is reasonable and flexible, and certainly it cannot be accused of overlooking the interests of the public.

However, the criticism of the department in respect to the welfare fund commission hearing is to this extent justified: If the department had reached the stage in its informal discussions with the insurers that a hearing was necessary, prior to the issue of a ruling, the hearing should have been open. A hearing by its very name

and perhaps legally is just that, a forum for the discussion and hearing of information and opinions pertinent to an issue that affects the public and the insurance business.

The holding of a closed hearing—at this one the department indicated it was not going to have a record made—suggests that the department was unable to get the information it wanted and needed to shape its subsequent order wisely and properly in a technical sense. It also indicated it didn't think it was going to get or get so easily the accord it wanted that those in the business who are doing it will stop overpaying for this kind of business and to improper persons.

The closed hearing also suggests the department was using the device of a hearing to bring in people it could not otherwise get there, to discuss practices which it regards as improper but under circumstances which it is making palatable to those who are going to be disciplined, presumably in a consent-decree kind of way.

The department uses the closed hearing every now and then. This isn't the first one, presumably it isn't the last. Perhaps it has the legal right to keep all of its hearings closed, if it wants to.

But since it has, by custom if not by law, the resources of informal discussion and negotiation to accomplish the purposes for which the present hearing apparently was called, those devices seem more appropriate for this case than the closed hearing, and probably would look better for other matters, when they arise, where the matters are apt to get to the closed hearing stage.

Possibly it felt that it could go further, make a more adequate correction, by negotiation and extra friendly treatment than it could by exerting the rough side of the hearing stick, and if so the interest of the public may have been better served. If so, all hail. But in general it puts the department in the position of being nicer than the situation seems to warrant, and the business in the position of being coddled to an extent perhaps not justified by what it has done.

PERSONAL SIDE OF THE BUSINESS

W. T. Cline of the Conkling, Price & Webb agency, Chicago, and **Mrs. Cline** are sailing Aug. 4 for England. Mr. Cline will confer with London Lloyds and then he plans to engage in grouse hunting in Scotland.

Larry Crockett of Presque Isle is actively handling plans for the Agency Management Institute of Maine Assn. of Insurance Agents at University of

Maine Aug. 23-26. He has been pinching hitting for Bert Stevenson of Camden, who is chairman of the institute and who is handicapped by a serious illness in his family.

Kenneth F. Warrack, manager at Seattle for American Surety, was honored on his 30th anniversary with the company. Mr. Warrack received the company's 30-year pin, 30 roses, and

The NATIONAL UNDERWRITER

PUBLICATION OFFICE:
176 W. Jackson Blvd., Chicago 4, Ill.
CIRCULATION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio

Editor: Kenneth O. Force.
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Executive Editor: Levering Cartwright.
Production Manager: Robert J. Lynch.
Teletype CG-654



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OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Richard F. Black, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

a congratulatory letter from President A. F. Lafrentz.

H. Herbert Corson of Davis & Corson, Nashville, attended the marriage of his son, H. Herbert Corson, III, to Miss Catherin Womack at Jackson.

Lewis A. Vincent, general manager of National Board, has been elected to the board of managers of Montclair Savings Bank.

William H. Burhop, president of the Employers Mutuals of Wausau, Wis., has been elected vice-president of Wisconsin Valley Trust Co.

Richard McGee, son of Cecil McGee of Ken Dubach & Co., Kansas City, and Jan Elizabeth Beger, daughter of Milton E. Beger of Underwriters Adjusting, were married. The couple will live at Springfield, Mo., where Richard is attending Drury College.

John G. Ruckel, Springfield, Ill., local agent, has been elected commander of the American Legion post there.

A. D. Dowie, Jr., vice-president of Underwriters Ins. Co. of Chicago, underwent the first of two operations for relief of high blood pressure and is scheduled to undergo another shortly. He will be at the hospital until well into August according to present indications.

John Glendening, vice-president of Home, and his family sailed on the S. S. Ryndam for Paris and other European points.

James B. Donovan, general counsel for National Bureau of Casualty Underwriters, has been selected to receive the award of Federation of Insurance Counsel for 1953 as having made a significant contribution to the field of insurance. The meeting is to be at the Bedford Springs Hotel, Bedford Springs, Pa., Aug. 19-22. Mr. Donovan was elected particularly because of his work on the report, "Problems Created by Financially Irresponsible Motorists" in his capacity as chairman of the automobile insurance committee of American Bar Assn. and insurance committee of the New York Insurance Bar.

William B. Joyce, veteran president of William B. Joyce & Co. of New York and former head for many years of National Surety, is recovering at his home from a broken ankle.

Printers Ink, the advertising magazine, in the July 17 issue features in its column entitled "The Sale I Never Forgot" an experience of W. Clement Stone, president of Combined of Chicago. This deals with a series of cold canvass sales Mr. Stone made in Sioux

Center, Ia., thus convincing a salesman that the town constituted a rich territory of prospects.

DEATHS

GEORGE R. MILLER, president of the T. B. Miller agency, Helena, Mont., operated by his brother, Thomas B., died at St. John's hospital from injuries suffered in a fall a year ago. He was a former president of Montana Insurance Agents Assn. and former state director of the National association.

ELLIS M. BIXBY, assistant secretary and underwriter of Illinois Mutual Fire of Belvidere, died at the age of 61. He had been with Illinois Mutual 12 years.

ROBERT L. HAWES, 79, who established his agency at Louisville in 1913, eight years after he became an insurance solicitor, died July 18, following a long illness. He was a member of the Louisville Board for more than 40 years. Three years ago he and his wife celebrated their golden wedding anniversary. He was active in politics and civic affairs.

WILLIAM I. ASHLEY, who operated a local agency at Centreville, Mich., up to about eight years ago, and who for many years was secretary of Village Mutual Fire of Centreville, died at the age of 84. From 1886 to 1941 he was publisher of the Centreville Observer and for the last six years was president of the Centreville State Bank.

J. RAYMOND LENNON, who was founder and head of the Lennon Brothers local agency at Joliet, Ill., which dated from 1900, died at St. Joseph's Hospital there at the age of 79. He had been in the hospital since last February when he broke his hip. He had been particularly active in the insurance end of the business and was honorary president of the Joliet local board. He and his brother, Thomas Lennon, founded the agency and shortly after the latter died in 1936 George M. Lennon entered the firm and he is still active there. There were 18 brothers and sisters in the whole family and at one time 9 brothers constituted a baseball team that was well known.

VINCENT M. MULLANEY, superintendent of the Employers group at Scranton, Pa., died there.

LYNN C. STOREY, 74, adjuster for the Anson B. Smith & Co. agency, Columbus, O., died this week. His home was at Worthington.

JOHN A. DWYER, 83, Taylorville, Ill., local agent, died after two years' illness.

MRS. ORVILLE NOEL, wife of a prominent agent at Covington, Ky., died there. Mr. Noel for five years has been president of Northern Kentucky Insurance Agents Assn. and for years has been active in the Kentucky association.

Companies' First Six Months Results

	Assets June 30	Surplus June 30	Increase or Decrease in Surplus from Dec. 31	Premiums First Six Months 1953	Premiums First Six Months 1952
Amer. Mut. Re.	5,153,400	1,855,738	5,738	649,966	639,644
American Surety	74,565,339	19,241,341	-703,003	20,985,257	21,173,920
Boston Mfrs. Mut.	42,942,162*	19,620,412*	-1,549,829*	7,298,249	8,370,361
Capitol Indemnity	1,825,050	479,723	-35,460	867,415	778,188
Fac. Mut. Linb.	32,356,397	15,897,220	-689,765	8,996,501	7,615,943
Farm Bureau, N. H.	2,246,045	1,517,746	123,871	553,514	478,266
Fidelity & Cas.	191,493,520	56,597,360	-8,064,947	63,677,438	51,256,860
Ind. Lumb. Mut.	17,911,491	4,890,216	-130,622	6,923,124	5,646,244
Lumb. Mut. Fire, Mass.	8,423,481	4,673,897	-49,274	1,658,593	1,577,449
Mfrs. & Merch. Ind.	7,416,469	1,491,426	33,908	3,742,797	3,565,252
Millers Mut., Ill.	10,817,102	5,616,212	242,333	2,603,698	2,701,616
Mutual Boiler	10,946,021	4,202,410	-115,421	5,470,127	4,944,069
Mut. Service Cas.	8,999,900	3,017,124	304,606	3,758,899	3,026,618
Northwestern Natl. Fire	39,451,106	18,494,177	-1,271,583	7,165,843	6,884,050
Phil. Contributionship	15,781,087	12,500,000	-500,000	74,911*	63,485*
St. Paul F. & M.	130,036,720	68,338,515	-611,058	25,820,567	25,752,883
St. Paul-Mer. Ind.	66,980,974	11,321,485	174,672	21,509,064	20,128,862
Shelby Mut. Cas.	16,510,756	3,329,304	124,035	7,294,882	7,196,105
*Estimated					
†Perpetual deposits.					

U. S. Fire Losses in June Jump 15%

Fire losses in the United States for June totaled \$67,644,000, a 15% increase over June of last year, and a 5% over May of this year, according to National Board. The June figure brings losses through the half year to \$432,081,000, a 6% increase over the first half of last year.

Following are reported losses for 1951 and 1952, and the first six months of this year:

	1953	1952	1951
Jan.	76,659,000	74,155,000	68,686,000
Feb.	72,706,000	69,925,000	69,136,000
March	83,471,000	72,254,000	71,507,000
April	67,362,000	67,380,000	62,965,000
May	64,239,000	62,354,000	58,744,000
June	67,644,000	58,585,000	56,403,000
	\$432,081,000	\$404,653,000	\$387,441,000

William H. Doty Takes Aetna Publicity Post, Aids Holt

William H. Doty has joined Aetna as supervisor of the publicity department associated with Assistant Secretary F. Sidney Holt, who is director of publicity. Mr. Doty takes the place of Norris P. Browne, who went with Insurance Co. of Texas. Mr. Doty has been advertising and sales promotion manager of the *Spectator* since 1949. He has also had advertising or sales promotion experience with Philco Corp., Hugo Wagendiel & Associates of Dayton and Industrial Marketing. He is a graduate of University of Chicago and is a veteran of the last war. He has edited the bulletin of Insurance Advertising Conference for the last two years.

Loughery, Kingan Partners of Fester, Fothergill & Hartung

Gerdner M. Loughery and Gilbert Kingan, Jr., have been made partners in the reinsurance company managing firm of Fester, Fothergill & Hartung. Mr. Loughery has been an F. F. & H. man seven years and is vice-president

of Unity Fire. Mr. Kingan is an assistant secretary of Unity Fire and a veteran of five years with F. F. & H. The other partners of F. F. & H. are J. A. Heinze, R. B. Farmer and H. G. Fester.

Henry Moore, Austin, Tex., local agent, has been installed as president of the Citizen Traffic Safety Council.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co. 135 So. La Salle St., Chicago, July 21, 1953		
Aetna Casualty	3.00*	111 113
Aetna Fire	2.40	51 1/2 52 1/2
Aetna Life	2.50*	72 73 1/2
Agricultural	1.60	31 1/2 32 1/2
American Alliance	1.60	32 1/2 33 1/2
American Equitable	1.50	29 1/2 31
American Auto	2.00	47 1/2 49 1/2
American (N. J.)	1.10	25 26
American Motorists .....	.40	12 1/2 13 1/2
American Surety	3.00	60 1/2 63
Boston	1.40	33 1/2 35
Camden Fire	1.10*	22 23 1/2
Continental Casualty	2.50*	77 1/2 79
Crum & Forster Com.	1.60	40 47 1/2
Federal .....	.60	23 1/2 24 1/2
Fire Association	3.00	63 1/2 65
Fireman's Fund	1.60	55 1/2 57
Firemen's (N. J.) .....	.90	25 26
General Reinsurance	1.60	37 38 1/2
Glens Falls	2.00	59 61
Globe & Republic .....	.80	16 17
Great American Fire	1.80	35 1/2 36 1/2
Hartford Fire	3.00	151 1/2 153 1/2
Hanover Fire	1.80	39 40
Home (N. Y.)	2.00	39 1/2 40 1/2
Ins. Co. of No. America	2.25*	82 83
Maryland Casualty	1.20	25 1/2 26 1/2
Mass. Bonding .....	.40	24 25
National Casualty	1.50*	28 29 1/2
National Fire	2.60	61 1/2 63
National Union	2.00	39 1/2 41
New Amsterdam Cas.	1.50	43 1/2 45
New Hampshire	2.00	42 43 1/2
North River	1.20	28 1/2 29 1/2
Ohio Casualty	1.55*	62 64
Phoenix, Conn.	3.40	90 92
Prov. Wash.	1.50*	27 1/2 29
St. Paul F. & M. ....	.90*	32 33
Security, Conn.	1.70*	33 34
Springfield F. & M.	2.00	47 48 1/2
Standard Accident	1.60	44 1/2 45 1/2
Travelers	14.00*	730 735
U. S. F. & G.	2.00	59 61
U. S. Fire	1.50*	37 38 1/2

*Includes extras.

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STATES

America Fore Six Month Results Are Published

(CONTINUED FROM PAGE 1)

of \$7,978,074 had an underwriting loss of \$175,107. There was a decrease in market value of bonds and stocks of \$3,318,302 and the net surplus was \$33,245,237.

Fidelity & Casualty had assets of \$191,493,519, premium reserve was \$59,604,365, claim reserve \$71,610,267, capital \$2,250,000, net surplus \$53,508,254 and contingency reserve \$839,105.

The premiums written were \$63,677,435 and premiums earned \$55,426,854. Losses incurred were \$36,293,860 and expenses incurred \$21,072,418. The underwriting loss was \$1,938,895.

Investment income was \$2,769,994, decrease in market value of bonds and stocks was \$8,292,996 and the net surplus at June 30 was \$53,508,254.

Total assets for all America Fore companies at market values, were \$833,987,808. At Dec. 31, 1952, these

assets were \$874,469,553 at market value, a decrease of \$40,481,745.

Total policyholders surpluses for all companies at market values June 30 were \$487,642,292. These were \$540,749,811 in December, a decrease of \$53,107,519.

The December, 1952, assets were \$290,859,679 for Continental; \$252,829,440, Fidelity-Phenix; \$78,709,259, Niagara; \$65,604,726, American Eagle and \$186,466,449 Fidelity & Casualty. F. & C. registered an increase in assets at June 30 of \$4,187,965.

By individual companies, policyholders surpluses of June 30 were: Continental, \$183,247,783; Fidelity-Phenix, \$164,308,858; Niagara, \$46,082,158; American Eagle, \$38,245,237; Fidelity & Casualty, \$55,758,255.

Premiums written by the entire group showed an increase of 9.07%.

More than 200 members and guests attended the annual outing of South-Bend-Mishawaka (Ind.) Assn. of Insurance Agents.

Florida Prescribes Procedure on Restrictive Riders

Commissioner Larson of Florida has gotten out a bulletin which he said is prompted by inquiries and complaints on the use of endorsements on automobile policies restricting or limiting the coverage to operation only by specified individuals, persons of a designated age bracket or occupation, all while being operated in a particular area. He said that most of the complaints are due to the failure on the part of the agent properly to notify the insured that there is an endorsement to his policy. The rule of the department is, he said, that all such endorsements must be accepted by the insured by signing a statement on the endorsement to the effect that he has read it and is fully aware of its limitations.

Mr. Larson alludes to the legal provision that a rate in excess of that provided by approved filings may be used on any specific risk with the written consent of the commissioner and the insured. Usually, he said, where there has not been a reduction in the premium, the department construes the limiting or restrictive feature of these endorsements to raise the cost of coverage to the insured which in effect is a rate increase and this may not be in keeping with the approved filings of a company.

State Managers to Meet

Bennett G. Gregory, executive secretary of Missouri Assn. of Insurance Agents and manager of Insurance Board of St. Louis, as chairman of the state secretaries and managers group of N.A.I.A. has announced that a meeting of that group will be held Sept. 27 at Washington.

Elect Trezevant in Fla.

R. Gillie Trezevant, General Adjustment Bureau, is the newly elected most loyal gander of Florida Blue Goose. Other officers are: Supervisor, John J. Q. Hedgepeth, National Union; custodian, Robert N. Kent, Florida Inspection Bureau; guardian, George H. Brussel, Milton M. Spradlin general agency; keeper, R. L. Lewand, New Hampshire Fire; welder, Henry J. Thornton, American. Mr. Thornton and Marshall Gann, Automobile of Hartford, were named delegates to the grand nest.

Kentucky M. L. Case Heard

The suit brought by Kentucky Inspection Bureau against the Kentucky department in connection with multiple location reporting forms 1 and 5, in which the company interests enjoined the commissioner's suspension of those forms, was heard before the circuit court at Frankfort July 18.

Following the hearing Judge Ardery gave the bureau 20 days to file its briefs, after which the state will have 20 days to file its briefs and the bureau another 10 days for rebuttal.

New High in S. F. Verdict—\$312,000

Said to be the largest award ever made in a San Francisco court for a semi-industrial damage suit, James L. Emery of Los Angeles has been awarded damages of \$312,000 for the loss of his eyesight. He had sued Sears, Roebuck for \$405,000.

Emery lost the sight of his left eye in an accident while working as supervising chef at Brown Derby Cafe in Hollywood in 1948. In 1951 he bought a bench saw from Sears, Roebuck and while operating the device in February, 1952, he claimed that an abrasive

wheel "blew up", striking his right eye and destroying its sight.

During the 15 days of the trial, Emery attended with his Boxer seeing-eye dog. His attorney was Francis Carroll, widely known San Francisco plaintiff attorney.

Brown, Rhodes and Larson Are the Ore. Nominees

Marshall Brown of Portland is the choice of the nominating committee for new president of Oregon Assn. of Insurance Agents to succeed Philip R. Gould of Bend at the annual meeting Aug. 30-Sept. 1. Keith Rhodes of Lebanon is the choice for chairman of executive committee which is the route to the presidency. H. B. Larson of Portland is docketed for reelection as state national director.

Phoenix of Conn. Changes

H. Marshall Schlick has been promoted to state agent of Phoenix of Hartford and placed in charge of southern Illinois with headquarters at Decatur. He has been with Phoenix since 1947 and prior to that was with Iowa Insurance Bureau. He attended Iowa State and is a veteran of the last war.

N. Howard Freed has been appointed special agent at Atlanta in connection with inland marine matters. He is a graduate of Oklahoma City U. and has been with Phoenix in its Oklahoma City marine zone office. He is a veteran of the last war.

Carl E. Hammer has been appointed special agent in Iowa with headquarters at Des Moines.

Ray Goes to Head Office

Lawrence Ray has been promoted to supervisor of bodily injury claims at the head office of Indiana Ins. Co. He has been head of the claim office at Ft. Wayne for 24 years and he is replaced there by Willard Hardisty who has been his assistant there.

Broad Form Now in Utah

The broad form dwelling policy of Pacific Board has now been introduced in Utah. The announcement was made jointly by Pacific Board and Utah Assn. of Insurance Agents. The Utah form is slightly different from that of California. It is also in effect in Nevada.

Gospel Spoken in Knoxville

KNOXVILLE, TENN.—"The practice of some juries in granting a bigger judgment in automobile damage suit because an insurance company is paying the bill is unfair and unjust," Knoxville Journal said editorially. The writer said he overheard an ex-juryman proclaim: "When we heard that it was an insurance company paying the bill, we decided to just double the amount. We knew that the plaintiff could use the money and the insurance company had it."

"It may not have occurred to members of this jury that they were doing an injustice to the thousands of persons who held policies in the company which insured the defendant," the editorial said. "Bloated verdicts, based upon sympathy rather than merit, drive rates upward and in effect lay an unjust tax upon every holder of an insurance policy."

OK's W. C. Benefit Hike in Mo.

Gov. Donnelly of Missouri has approved the bill increasing the minimum workmen's compensation benefits from \$8 to \$16 and the maximum from \$30 to \$35. At the same time Gov. Donnelly vetoed a bill providing for a 20-week healing period in addition to the benefits payable for permanent disability. To approve this measure, he said, would introduce inconsistencies.

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State Manager opening available for Illinois with progressive, fast-growing company writing auto insurance for total abstainers only. Job involves field work, management of company's small Chicago branch office, and complete responsibility of Illinois production. Good salary plus incentive plan. . . . Applicant must be a total abstainer and should have previous experience in the auto field. Address Preferred Risk Mutual Ins. Co., 208 So. LaSalle St., Chicago, Illinois.

CLAIMS MANAGER FOR AN OHIO MUTUAL CASUALTY COMPANY

Must have legal training, managerial and field adjusting experience. Salary open. Please give age, education and experience. Our employees know of this ad. Write to Box T-59, c/o National Underwriters, 175 Jackson Blvd., Chicago 4, Illinois.

AUTOMOBILE UNDERWRITING MANAGER

This is an exceptional opportunity for a top-flight man capable of assuming management of growing automobile department for a large and successful multiple line Capital Stock Company. Midwest location. Address T-26, The National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Ill.

SAFETY INSPECTOR

Unusual opportunity in the Minneapolis area with a well established Casualty insurance company. Mainly public liability work at present, with a sprinkling of the other lines. Excellent future possibilities. Replies confidential. Our employees know of this advertisement. Address T-65, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

PREPARE FOR A FUTURE IN FIRE INSURANCE

Wanted—young man with good educational background to become fire insurance inspector. Good starting salary and exceptional opportunity for advancement in the insurance business. Address T-67, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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For Dallas office of old established Group. Experienced Fire and Windstorm claims. Draft exempt, not over 30. ALSO young man as loss trainee. Write full particulars Box T-68, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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By old responsible Casualty Company. Young Man with some casualty field and underwriting experience in Midwest operating from Des Moines. Right man can make excellent future for himself. Address P-48, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Theory of No Pay to VA Explained to House Committee

WASHINGTON—A description of hospitalization insurance contracts offered by insurance companies and their relation to the veterans administration hospitalization program was presented to the veterans affairs committee of the House last week by Robert A. Crichton, counsel of American Life Convention, and William deV. Washburn, president of American Health of Baltimore. Mr. Crichton represented A.L.C., Bureau of A. & H. Underwriters, H. & A. Underwriters Conference, and Life Insurers Conference. Mr. Washburn is chairman of the committee on economics of medical care of Bureau of A. & H. Underwriters.

In a joint statement, they explained the underlying principle of insurers in the hospitalization field.

"In designing the hospitalization insurance protection sold to the public," the statement said, "insurance companies have followed a fundamental underwriting principle which holds for all similar lines of insurance, namely, that the purpose of the insurance should be to compensate for an actual loss or expense to the person insured. As a result, hospital insurance policies do not generally make provision for payment with respect to hospital stays which cost the patient nothing. For example, hospitalization insurance policies... do not normally pay for hospital stays resulting from occupational accidents, because such stays are covered by workmen's compensation laws and there is no net financial loss to the patient to be insured against.

"VA hospitals presently do not make charges for non-service-connected disabilities of admitted veterans where there is no insurance. Neither does the veterans administration make a charge when the veteran has insurance, so long as his right to collect under the policy does not depend upon the presentation of a bill for VA hospital services. It is only where the veteran has insurance, and where that insurance is of the type under which payment is made only if there are hospital charges, that the VA attempts to collect from the insurance company. No attempt is ever made to collect insurance proceeds from the veteran.

"It can be stated quite simply why insurance companies design their policies so that no payments are called for in these instances where charges arise only because of the existence of insurance. It is to protect the buyers of insurance from the unfair burden of additional premium costs which would otherwise result. The buyers of hospitalization insurance must in the long run pay, through insurance premiums, what the insurance companies pay out in claims, in addition to what they as buyers of insurance must pay as taxpayers towards the general support of VA hospitals.

"It has been our experience that the buyers of insurance, particularly employers and labor unions which are parties to group insurance policies, generally do not wish to have part of the group insurance premiums they have paid spent for claim payments to VA hospitals. In the final analysis, those claim payments would be of no direct value to the veterans themselves. The veterans would receive no money; any payment made would be made direct to the veterans administration. But if claim payments were

made to VA to cover charges which arise only because of the existence of insurance, most buyers of hospitalization insurance would be justified in feeling discriminated against. What has in the past been a tax-supported VA hospitalization program would then become only a partially tax-supported hospitalization program, the balance of the cost becoming a charge against that part of the public which buys insurance. This, we feel, would discriminate against the buyers of insurance."

Life Time Care Deals Now Under Fla. Insurance Law

One of the bills that was passed at the recent session of the Florida legislature puts private institutions offering "lifetime care" under the regulation of the insurance department. Such homes must put up a \$75,000 bond and they must maintain what is called an "unearned reserve." There have been abuses of the plan of guaranteeing room and board for life in exchange for lump sums or regular payments.

Compulsory Plan in Sweden

A compulsory health insurance plan has been adopted in Sweden to commence in 1955. It will cover 65 to 70% of income losses with tax-free cash benefits, and will provide free hospital care and defray 75% of the normal cost of treatment by private physicians. Medicine will be provided free or at greatly reduced prices.

Policyholders, paying according to income, will contribute 44% of the money to finance the plan, employers will pay 27% and the government will pay the remainder.

Citizens and Arex Changes

The capital setup of Arex Indemnity has been changed since it was acquired by Citizens Casualty in April. The par value of the common stock was reduced from \$10 to \$4 and there were issued 35,823 new shares of \$4 par value common in exchange for 1,000 preferred shares and 31,500 new \$4 par value common shares were sold to Citizens Casualty at \$6. The preferred shares had a \$1 par value and \$201 redemption price. The result was the capital was reduced from \$452,770 to \$450,000 and \$63,000 of fresh money was contributed to surplus.

The capital of Citizens Casualty is now \$1 million, this having been accomplished by the sale of 8,000 shares of preferred stock of \$25 par value.

Aetna on Pa. Bank Bond

Aetna Casualty has the bond on Third National Bank of Scranton, Pa., where Gilbert J. McCauley, 40-year-old assistant cashier, has been arrested by the F.B.I. and charged with the misapplication of \$236,814 of bank money. McCauley, who recently was promoted to assistant cashier in charge of bookkeeping, is quoted as saying that he didn't personally benefit from the misapplication of funds but that he was covering for other people. The bank uncovered the shortage when a business concern called for a check of its balance.

Wants Navy to Skip Insurance on Properties Under Lease

Rep. Cunningham of Iowa, chairman of the House armed services subcommittee has asked the navy to report on how much in the way of premiums would be eliminated if the government quit insuring property leased by the navy. He voiced the belief that the government could save millions of dollars a year by doing this. The question came up in connection with a navy request for permission to renew its lease on Pier 26 at New York for \$103,000 a year and the navy man said this fee includes \$15,000 for insurance. When questioned he expressed the belief that the city of New York simply pockets the fee and doesn't buy insurance to cover the risk. Cunningham

Improvements and Betterments Form Issue Is Put Up to Company-Agent Group in West

At the recent meeting of the conference committee of Mid-west Territorial Conference with company executives and Western Actuarial Bureau spokesmen, it was decided to set up a committee of agents and company men to engage in "fact finding" on the matter of the improvements and betterments form and to report and make recommendations within 90 days. It is understood that there will be a gathering of the committee Aug. 26 but this will probably be of only a preliminary nature. E. H. Forkel of National Fire heads the company committee and Arthur M. O'Connell of Cincinnati is chairman for the agents.

Among the matters that will be discussed is whether the present form should be changed to cover the tenant where he has put in improvements with no lease, where he has put them in under an older lease, where the present lease is a renewal, extension, or continuation of an older one, etc. There is criticism from the field of the present form in that it covers loss to the tenant only if the improvements were made "since the execution date of the insured's lease in effect as of the date of the loss."

The legal argument of the companies is that the tenant has an insurable interest in those things only under those circumstances. (The landlord, of course, is always covered under his building form, since the improvements are part of the building and he owns them.) The agents claim that lots of losses were settled under old forms—which didn't say anything except "interest of the insured in improvements

and betterments"—where they had been put in without a written lease or had been put in under an old lease, the tenant staying on long after the first lease expired, and nobody got mad. The company action was prompted by the Alexandra Restaurant case in New York, where the companies were hosed under a reporting form which said the company would consider the insured the unconditional and sole owner of the improvements. The landlord there replaced the improvements, but the insurers had to pay the tenant anyhow. The agents claim the companies were trying to use a siege gun to kill a fly—that all they needed to do was take the unconditional and sole ownership statement out of reporting forms. It never was in most forms.

Apparently the agents over the country have been able to mass enough opposition so that the I. & B. form isn't going into any more states—it was turned down in New York and withdrawn in New England or maybe vice versa. So it could be that something will be worked out by this committee. The agents would like them to go back to the old, indefinite, forms—without the unconditional and sole ownership clause. Probably some changes would have to be made, just to save face, if nothing else. Since the new form is in the middle west only, except for the Middle Department states, the thing could probably be worked out in that territory and would get approval of the Insurance Executives Assn. and other bodies without too much trouble.

ham estimated that the government can save about \$7½ million yearly if it carries no insurance on only a third of the 1500 properties which the navy has under lease.

Newman Cage & Co. V. P.

Frank N. Newman, Dallas attorney, has been named vice-president and administrative assistant of Jack Cage & Co., managers of the union member-owned ICT group.

As an associate in the Dallas law firm of Carrington, Gowan, Johnson & Walker, Mr. Newman has been actively engaged in legal work for the company for several months and will continue to handle legal matters for it.

N. J. Bill Would Widen Disability Benefits

A bill has been passed by both houses of the New Jersey legislature that would make disability benefits retroactive to the first day if the worker is laid up 28 days or more. Presently there is a 7-day waiting period that is applicable in all cases.

The bill is now on Gov. Driscoll's desk and it is reported that he is likely to sign it.

Insurers don't care much for the expansion in benefits. They report they are having a hard time meeting the 75/100ths of 1% rate provided for in the law changes that went into effect last Jan. 1. Loss ratios are going up.

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Wichita Hail Losses Now Number 43,500

More than 43,500 losses, believed to be about 90% of the final total, have been reported to the National Board catastrophe office at Wichita as the result of hail and wind storm there June 21. The average is around \$200 per loss and it is expected that the aggregate will be in the neighborhood of \$12 million.

P. B. Carden, assistant general adjuster of the National Board, is in the charge of the catastrophe office. About 13,000 claims have been adjusted so far, and during the week about 5,000 new losses were reported, an increase of 12%. There are about 215 adjusters on hand, all registered with the board office. Nearly 50% of the losses have been surveyed and the expectation is that in 60 days after the storm all losses will be taken care of.

From proofs processed to date, it appears that Wichita dwelling and mercantile properties on the average are about 60% insured to value. There are not many large losses to contents, although some mercantiles were hard hit, such as Fox-Vliet Wholesale Drug Co., Hellum Furniture Co., Howse, Inc., a wholesale furniture house, the Boeing Aircraft Co. warehouse, the Wichita Beacon roll paper warehouse, Wichita Eagle roll paper warehouse, Motor Equipment Co., International Harvester, and others. Some of these will exceed \$100,000 and some buildings suffered bad losses; but despite this, the average of \$200 is expected to stand up.

Losses handled by Factory Association and inland marine losses, neon sign, growing crops, etc. are not included in this total. However, the wheat was almost all harvested and the loss there was not of any consequence.

Wichita on March 30 had a bad storm that was designated as National Board catastrophe No. 33 and there were still some claims pending on that when the June 21 storm occurred. These losses are now practically all taken care of, and where new losses have occurred to these properties, it is recommended that the same adjuster or at least the same adjustment office handle the new loss. This has helped to cause a little confusion because of the large number of adjusters on hand and the local offices have to scan their files and furnish the many independent company adjusters with data on the March 30 storm.

Some automobile dealers suffered serious losses on cars in open lots. So far, about 1,000 such losses have been handled with the average on these running between \$100 and \$125. On one lot, 36 trailers were damaged to the tune of \$18,000. There were 46 trailers damaged on another lot. Many automobiles were damaged by falling trees. One automobile dealer had 20 new cars in an open lot and suffered about \$20,000 in loss.

A number of the larger churches suffered losses on stained glass windows, and the First Presbyterian Church had heavy damage to its tile roof. Schools had bad losses on the windows and two hospitals had major roof losses. A chimney blew over on the roof of Friends University, crashing through the roof and causing some \$25,000 damage to the pipe organ and other contents.

Help in the adjusting problem on roof losses was given aid by the Better

Business Bureau when Ralph S. Hinman, manager of the BBB office at Wichita, in a radio broadcast said the emergency situation has been "well and fairly handled by the insurance companies, the adjusters, the established roofers and repair concerns."

Most of the critical cases, he told the radio audience where immediate repair was essential to prevent further damage seemed to be taken care of through this "fine cooperation."

Meat Cutters Union Is Forming Insurer

Amalgamated Labor Life is being set up in Illinois under the sponsorship of Amalgamated Meat Cutters & Butchers Workmen of North America (A.M.C.B.). They hope to get the company licensed by Aug. 1, starting with \$200,000 capital and \$100,000 net surplus. The first directors would be Earl W. Jimerson, who is president of the union; Patrick E. Gorman, the secretary; R. Emmett Kelly, vice-president; Holford Harris, and Attorney Joseph S. Sullivan of Chicago. Offices will be at the union headquarters at 2800 Sheridan road, Chicago.

The Chicago actuarial firm of Harry S. Tressel & Associates is aiding in the program. Group life and disability coverage will be provided for sure. Whether to engage in the individual policy field is still under consideration.

3-D Insurance and 3-D Movies Are F. & D. Sales Aid

By use of a novel mailing device, Fidelity & Deposit is apparently the first insurance company to take advantage of the current popularity of 3-D movies to advertise the 3-D—dishonesty, disappearance and destruction—policy. Enclosed in an envelope on which is printed "A Lesson in 3-D", a line drawing of a theater audience and a pair of cellophane polaroid glasses is a three dimensional card. By using the glasses, the dimensions of an attractive young lady on the obverse side are brought into proportionate forms, as well as the message she is pointing out about the need of owning an F. & D. 3-D policy. On the reverse side of the card is a more detailed listing of the protection provided.

Powell to Federal L. & C.

William A. Powell, manager of claims and underwriting at the home office of American Income of Chicago for a year and a half, has joined Federal Life & Casualty at the home office as senior underwriter in the A. & H. department. Before going with American Income, Mr. Powell was for six years with Continental Casualty at the home office.

Mutuals Form Brokerage Unit

Officers of Automobile Mutual and Factory Mutual of Providence have formed Amica Underwriters, Inc., to conduct a general insurance brokerage business. This is for lines the two insurers do not write. D. W. Abel, president of the two mutuals, is one of the incorporators of the new organization.

Trained Driver Discount O.K'd

Farm Bureau Mutual Auto's trained youthful driver discount plan, offering a 15% reduction in liability rates to those under 25 who complete a high school driver training course approved by the state department of public instruction, has been approved by Commissioner Cheek of North Carolina.

It is the second such discount plan approved in the state. The first was Allstate's.

St. Paul F. & M. Weathers Half Year in Fine Style

St. Paul Fire & Marine has published its semi-annual statement showing assets \$13,036,720 which was an increase of \$432,482; premium reserve \$40,141,342, a decrease of \$349,854, capital and surplus \$68,338,515 which was a decrease of \$611,058. That was exclusive of special reserve fund of \$1 million and regulatory surplus adjustments of \$1,931,034.

The premiums written for the six months were \$25,820,567, which was an increase of \$67,683. There was a net underwriting profit of \$2,335,343. The decrease in security values was \$2,182,061.

St. Paul Mercury Indemnity had assets of \$66,980,974, loss reserve \$31,556,413; capital-surplus \$11,321,485, which was an increase of \$174,672. Six month premiums were \$21,509,064 which was an increase of \$1,380,201.

There was an underwriting profit of \$356,033 and decrease in security values of \$479,011.

Mercury had an increase in assets of \$587,211, increase in premium reserve of \$37,602, increase in capital-surplus of \$250,794 and increase in premiums written of \$109,221.

Cal-Farm to Sell Stock

Cal-Farm Ins. Co. has been authorized by the California department to sell 1,187 shares of its preferred \$100 par value stock at \$200 per share and 6,250 shares of its common \$1 per share at \$2 per share to Cal-Farm Bureau Federation.

Pennsylvania Bill Signed

Gov. Fine of Pennsylvania has signed a bill requiring county officers handling public funds to be insured against the loss of money by larceny, robbery and burglary, in addition to surety bonds, and requiring the county to pay the premium.

He also has signed a bill requiring bonding companies as sureties on bonds of tax collectors in Pennsylvania, effective Sept. 1.

Another UCD Bill in Pa.

Another bill has been introduced in the Pennsylvania senate to establish a state operated non-occupational disability benefits program. A similar bill in the house got smothered in committee, and similar treatment is expected on the senate version.

Ky. Department Shifts

William Hockensmith, who has been with the state's fire and tornado fund division, has been named assistant insurance commissioner of Kentucky.

Gamble C. Dick, who has been director of fire insurance, has resigned his connection with the Kentucky department.

Dividend Is Increased

Government Employees Ins. Co. has increased its quarterly dividend rate to 35¢, the new payment to be made Sept. 25, to stock of record Sept. 10. The rate has been 30¢.

Want Uniform Fiscal Years

Directors and officers of Texas Assn. of A. & H. Underwriters at the July meeting at Austin, urged that local and state associations change their fiscal years so as to set up a uniform system throughout the state. The decision on this will be made at the August meeting at Dallas.

A report on the International con-

vention was given by W. D. Bacon, Crown Life and General Accident.

Weigh Validity of Non-Assessable Clause

(CONTINUED FROM PAGE 1)
surplus of \$200,000 or more, writing both fire and casualty may issue non-assessable policies.

The receiver claims that Texas Mutual bought a building for about \$100,000, got it appraised at \$436,000 with encumbrance of \$100,000 and that the encumbrance was the purchase price which was in the form of a note. Hence, the liquidator claims that the surplus to write non-assessable policies was all manufactured by this sleight-of-hand bookkeeping in connection with a real estate transaction. There was testimony that there are about \$1 million in unsatisfied claims. The policyholder liability, if the right of assessment should be granted, totals about \$1½ million.

Others giving testimony were Marie Surratt, secretary to Mr. Butler and R. E. Rustin, actuary in the fire division.

Mr. Knox and his statutory liquidating staff of 33 have just moved in to new quarters in the American Legion building on North Congress street in Austin. He was formerly with the rest of the insurance department in the International Life building.

Clem Heads Houston Buyers

Howard Clem of Schlumberger Well Surveying Corp. has been elected president of Houston Area Insurance Buyers Assn. Vice-president is A. E. Byran of Transcontinental Gas Pipe Line Corp. and secretary, Jack T. Campbell of Tennessee Gas Transmission Co.

Langlois in Ark. Field

Home has appointed William M. Langlois special agent at Little Rock. He has been with Home since 1941, recently as examiner in the western department at the head office.

Mundy Goes with Wilcox

Daniel Mundy, formerly with Reed & Co. at Denver, has gone with the Wilcox general agency as special agent for Colorado, Wyoming and New Mexico.

Joliet Field Day Sept. 3

Arrangements are completed for Joliet Insurance Agents Assn. Field Day at Big Run Country Club, Sept. 3. The committee consists of Harold Relyea, Henry Stewart, Bob Dow, Herb Regan, and the president of the board, Phelps Hotchkiss.

Would Exempt Mutuals from Filing

A bill to exempt domestic mutual fire companies from the filing of any rate with the insurance department has been introduced in the Pennsylvania legislature.

New Cleveland Building

The Marvin E. Shiffman agency has moved to its own office building at 2195 South Green road, University Heights, Cleveland. This is a one-story structure with parking area in front. Mr. Shiffman formed the agency in 1946 after returning from navy service.

Firemen Hear Insurance Men

Insurance speakers who addressed the annual conference of Missouri Valley Assn. of Fire Chiefs at Waterloo, Ia., were: William R. Fish, National Board, Independence, Mo.; Harry J. Corcoran, Iowa Inspection Bureau, Des Moines, and Richard E. Vernor, Western Actuarial Bureau, Chicago.

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